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THE FINANCIAL POST

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The Nation's Business

Mr. Howe Points Way To Sound Recovery

Munitions Minister C. D. Howe, in his Toronto Canadian Club speech, hit the nail squarely on the head when he declared that far too much of our postwar planning hinged around public work projects and social security. That sort of thinking and planning, he said bluntly, played directly into the hands of the socialists. Instead of depression and calamity, the man who has directed Canada's war supply, saw a vast amount of real and urgent work ahead.

"There is not a home in Canada, nor an automobile, nor a radio, nor a refrigerator that does not need to be improved. We must make up the wear and tear of the last four years. We must find new and better methods, and new and better products. The objective will be, not to make jobs, but to make Canada a better place in which to live. The carrying out of this high objective will mean jobs of the right kind."

Canada needs more speeches like those of C. D. Howe. We should have more of them from the public platform and more of them in cabinet circles at Ottawa. With over four years of civilian work to catch up, with vast development waiting in the hinterland of every province, with new methods and new ideas from our war work to be converted to peacetime use, we should have real jobs in this country for every willing citizen and thousands more for those who will be eager to come here with their skill and capital, from Europe and the United States. But we won't find these jobs, let alone see them, so long as we continue to expect calamity, once the guns cease firing.

Mr. Howe has outlined practical principles for postwar development. The next logical step is a declaration concerning practical application. He should have the Government indicate what its policy is to be in respect to taxation. If the jobs which Mr. Howe specifies are to be handled then the present restrictive taxation must be replaced by the incentive type whereby industry will be permitted the means and given the encouragement to go ahead and open up the postwar work waiting.

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POOR PUBLICITY FOR CANADA

To many Canadians, the announcement that Canadian distilleries are producing some potable liquors and have been for some time, did not come as a surprise. A great many people knew about it from unofficial sources, among them U. S. publications which were allowed to "break" the story before any confirmation was available in Canada.

What happened in this case is far too common in government public relations. Facts that might prove embarrassing if a wrong interpretation were put on them are hushed up, often only reaching the public through that small section of the U. S. press that has been consistently unfriendly to Canada and the British Commonwealth, and has never hesitated to make use of these leakages in most damaging fashion.

There is little use in trying to secure a "good press" in the United States if government officials attempt to conceal the truth. The essence of good public relations is truth-telling.

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WAR PROFITS A MYTH

On page 3 of this issue are reproduced some figures that should be studied carefully by every Canadian, regardless of his politics. They are taken from the latest compilation of corporation profits and dividends in Canada prepared by the Bank of Canada.

What those figures show is that the owners of Canadian business are currently receiving 3% less income from their investments than in 1939. They show that profits for these shareholders have risen $32 millions in four years of war, but that $30 millions of that increase has been in the profits of one company, the CPR, where it is being retained for postwar reconstruction and rehabilitation, to develop jobs for Canadian workmen. So far, not a dollar in dividends has gone to the CPR common stockholder.

If there has been profiteering in this war, it has certainly not been traceable in the operations of the 628 corporations which includes all those with assets of over $500,000, covered in the Bank of Canada survey. Wealth has been "conscripted" more completely than any other section of the Canadian economy.

Also on page 3 is a chart of the widely diverging trend of rewards which now go to the farmer and to labor (the producers of current income) and to capital (which builds up future income). Such a disparity cannot continue for long if the nation is to maintain its progress. A nation which bonuses the spenders and penalizes the savers and investors eventually penalizes itself.

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SHOULD OVERHAUL RADIO SPEECH BAN

Refusal of the CBC to broadcast the Bracken Hamilton speech last week focuses attention on a wartime ruling that has outlived its usefulness. At the beginning of the war CBC, in common with the BBC, placed a ban on all political speeches. At a time when public emotions were running high, this sweeping edict probably met with general approval though even then it could be construed as giving an advantage to whatever party might be in power.

Today, however, that ban, only slightly modified, definitely is not approved. With the war well on the way to being won, the public is turning more and more to the postwar work ahead. The average citizen wants to know, and he is entitled to know, what the major political parties are planning. Under the present system he is only sure of hearing spokesmen for the Government.

A just and complete solution is admittedly difficult—as there is no certain yardstick for measuring any political party—but the privilege of making periodical statements should be accorded the leader of any recognized political party.

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ONTARIO SHOULD CURB PROMOTERS' PROFITS

In most provinces of Canada and in the United States, the amount of commission that a broker or promoter can charge for his services in securing capital for a venture is limited by law. The only restriction in Ontario is against "unconscionable" profits, a term sufficiently elastic to make Ontario the haven of high-pressure security salesmen from all over the continent.

The reasons advanced for this condition are that restricting the promoter's profits would diminish the amount of financing being undertaken with a consequent reduction in the number of new enterprises brought to completion.

That there is some truth in these arguments is obvious. But it is equally obvious that the type of promoter who is now making Ontario a byword for unscrupulous sales practices is not a developer of mines. Able to pocket 50% or more of the funds "invested" by his victims, the development of a mining property has become to the unscrupulous a distinctly secondary but necessary facade for his primary pursuit of mulcting the public.

Legitimate promoters, whose primary interest is the development of a property, do not require the high margins obtained by the unscrupulous promoter operating in Ontario, and do not take advantage of the provincial situation, since to do so would injure the property they are developing. Curbing the promoter's profits will not interfere with the progress of any legitimate mining venture. And such a curb can be immediately imposed by a stricter enforcing of the laws now on Ontario's statute books.

Still Require To Dovetail On Salvage

War Assets Corp. and Existing Arrangements of Government Have to be Clarified

By STAFF WRITER

Ottawa. — No final decision has yet been made as to the extent to which the proposed new Crown holding and disposal company, War Assets Corp., will interfere with existing disposal agencies of the government.

There are at present some twenty or more agencies of government concerned with disposal of surplus materials and equipment.

One of the most important of these is the Salvage Office of the Comptroller of the Treasury. An offshoot of the last war, this is responsible for salvaging surplus material from one department which is of value to other departments. This office also sells surplus goods to the public or the trade if, as and when available. It has been disposing recently of surplus material no longer needed in construction of airports and defense projects; has also made available old and used service clothing which has been in considerable demand by the trade.

Deals With Salvage

P.C. 9108, which sets up a new Crown Assets Allocation Committee and incorporates War Assets Corp., contains a special clause governing relations with the Salvage Office and other existing disposal agencies. It reads as follows:

"This order shall take effect from the date hereof, but until the Governor in council or the Minister directs, transfers of inventory

(Continued on page 2, col. 6)

No Royal Road For Taxpayers

By STAFF WRITER

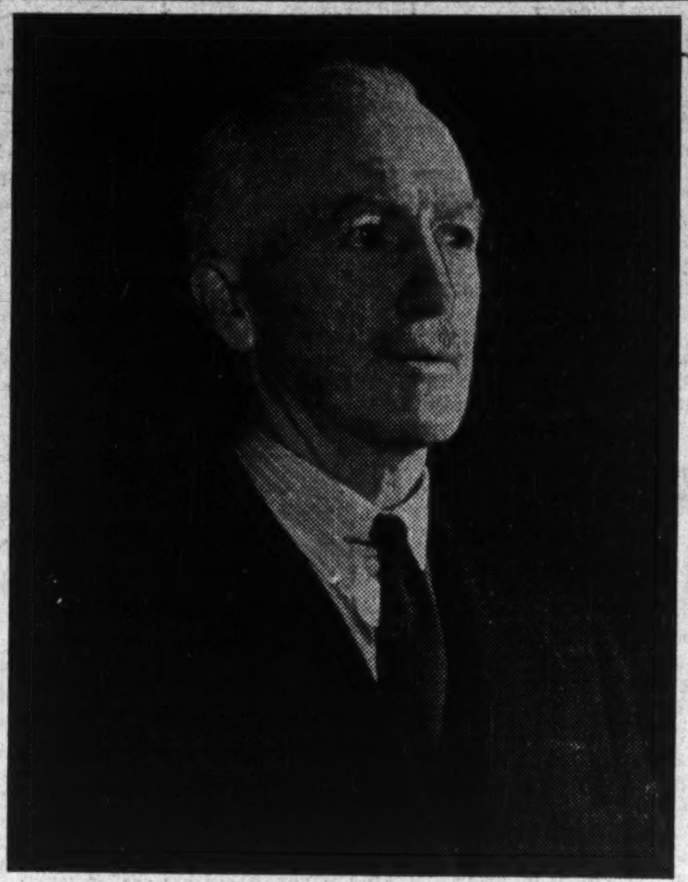
OTTAWA.—It now seems fairly clear that while 1944 T1-Special Income Tax forms will be simpler and less formidable, there will be no major change toward simplifying the income tax structure this year.

The T1-Special applies to persons with $3,000 or less income. The new forms, now drafted, are better arranged and defined more simply.

For persons over the $3,000 income brackets there will be little major change in their forms except that the complicated calculations involved in tax "forgiveness" will, of course, not be needed for 1944. Basically the 1944 forms for this group of taxpayers will not be greatly changed except for this one major simplification.

Tax officials argue, in defense of their position, that "change" more than anything else drives taxpayers to distraction. They believe that once a plan of collection is established and there are no major changes in the general tax procedure, the taxpaying public becomes accustomed to the forms, no matter how complicated.

But unless there is a major change in government policy in the very near future, that seems to be all the relief that can be promised for 1944 forms.



—National Film Board photo.

DIRECTS AGRICULTURAL SUPPLY

As chairman of the Agricultural Supplies Board and agriculture's spokesman on WPTB, Alexander Malcolm Shaw is largely responsible for increasing Canada's food production next year. Born at Woodburn in the Niagara Peninsula of Ontario, nearly 60 years ago, "Dean" Shaw has long been associated with Canadian agriculture. After graduation from the Ontario Agricultural College in 1910 he went to the Grand Northern Railway at St. Paul and from there to the University of Saskatchewan as professor of animal husbandry. Shortly after the end of the First Great War he was appointed Dean of Agriculture at the University of Saskatchewan, resigning that position some time before the outbreak of the present war to come to Ottawa as director of agricultural marketing. Lean and quiet spoken, Mr. Shaw has made a special study of farm markets both in Canada and Europe in connection with outlets for wheat and livestock.

Base Metals Finding Men In Mid-west

Hudson Bay & Sherritt Reported Fully Supplied But East Still Critically Short

The labor position of a proportion of Canadian base metal mines has greatly improved recently due to an influx of farm labor for the winter, The Financial Post is informed.

Improvement is most marked in Manitoba where Hudson Bay Mining & Smelting Co. and Sherritt Gordon Mines are reported to have virtually all the men they can use to advantage. So productive has the Manitoba farm labor pool proved that some men are reported to have been made available by NSS for the big metallurgical operations of Consolidated Mining & Smelting Co. at Trail, B.C.

In eastern Canada the improved labor situation has not been nearly so noticeable, but it was reported recently that International Nickel Co. has secured sufficient additional men to keep in operation a furnace which it would have been necessary to close down otherwise. Inco, like Hudson Bay M. & S., has been using women in surface operations to economize on manpower.

Noranda Needs Men

Noranda Mines stopped losing men in early October and there has been some small recruitment of labor since, but the over-all labor supply is still critically short. There is an urgent need of further men to keep operation in balance. Practically no

(Continued on page 2, col. 3)

Canadian Bacon Wins Place

U. K. Importer Tells Editor of Postwar Needs

By MARY-ETTA MACPHERSON
Managing Editor
Chatelaine Magazine

LONDON.—Will Canada still have an "in" with the British bacon market after the war?

"Yes, most definitely yes," was the way Frank Herbert, president-director of the Danish Bacon Co., replied. "At present Britain is receiving her largest bacon supplies from Canada. Next in size are the shipments from the United States; after that comes our home production and a small quantity from Northern Ireland. But the total bacon receipts are far short of the postwar goal which our industry should aim at. For a well-balanced diet suitable to this country, we shall require 1¼ billion pounds of bacon per annum—which works out to about one-half pound per person per week. Canada's farmers who have done so magnificently by us in wartime are going to continue to play an exceedingly important role in the feeding of this country."

This British businessman is no idle dreamer; he has statistics and surveys and a long experience in private and public business to back him up. He has served on the Meat Advisory Committee of which Lord Linlithgow was chairman, and worked with the Food Defence Plans Department which got under way at the time of Munich and drew up the master plan for the feeding of Britain, if and when war should come. In its broad aspects, and even in many of its details, that plan has been adhered to throughout these past strenuous years.

Liked Canadian Bacon

Everybody in the Danish Bacon Co., from the president-director down to the last white-coated warehouse man, is enthusiastic about Canadian bacon. This isn't only from the standpoint of breakfast eating, but from their strictly professional point of view as well.

Our Canadian bacon is uniform, they say; one can depend on each smoked half-hog weighing the required 56 lbs. or at least within a few ounces of that mark, either way. This is important, not just for a parade ground effect as the bacon hangs from the hooks, but because the wholesaler and retailer can tell at a glance exactly how many pounds of ham or "gammon," rib portion, and so on, can be cut from each flitch. In a closely rationed economy like Britain's, this matter of precise estimating of poundage, cost and selling value is important all down the line.

The government and the meat handling trade now have a first-class working acquaintance with our bacon, but to a Canadian it seems somewhat unfortunate that the consuming public should be left in the dark.

Bacon here is sold simply as bacon, with no information as to its place of origin. The Government bases this on its fixed price and the fact that each shop must accept the supply issued to it for the filling of registered customers' requirements. There is not enough bacon in the country to permit of critical shopping or stated preferences, it is stated, hence the British public is not informed of the origin of the bacon being bought.

Thus it may some day happen that Canada, producer and donor of colossal amounts of this commodity to the United Kingdom in time of war, will find it necessary to launch a big-scale advertising and general promotion campaign here in the interests of Canadian bacon. And it wouldn't surprise me greatly if the old-established Danish Bacon Co. were to give its blessing and support to the project. War makes strange bedfellows, and even traditional rivals can learn to like each other and work together for a common purpose.

Visits Distributing Centre

Not long ago I saw the end result of one of Canada's most important war efforts. Not guns or tanks or lads in uniform, but three of the leading food items on which the restricted British diet now depends so largely, and which trace back, over thousands of miles of danger-

(Continued on page 2, col. 5)

Housing Plans Pose Major Govt. Problem

Curtis Group Recommends Sweeping Changes Low-rental Farm Housing and Home Improvement, But Financing Offers Snag

By KENNETH R. WILSON

OTTAWA.—Far-reaching and, for Canada, revolutionary proposals in the field of postwar housing are contained in the recommendations of a special advisory subcommittee laid before the Government a few days ago. The proposals deal especially with the question of low-rental housing, farm housing and improvement, home improvement and town planning.

Just how long the proposals will remain locked up in the East Block is anyone's guess. At the moment, any decision on this very important question is tied to another equally "hot" subject—the whole question of Dominion-provincial postwar relationships.

Until the Government decides the federal approach to financing of postwar reconstruction, not only housing but every other form of public or community postwar development must hang in mid-air. What must be settled first and foremost is whether the Government is going to risk attempting a Dominion-provincial settlement along the suggested lines of the ill-fated Rowell-Sirois Commission, or whether such a settlement is to be shelved as politically too hot to handle prior to an election, and in favor of some purely ad hoc arrangement which would hand out money to the provinces or to municipalities on some catch-as-catch-can basis.

Biggest Immediate Problem

This larger postwar issue is perhaps the biggest and most immediate problem the Government faces in its entire postwar planning. Billions of dollars of expenditure are being projected by municipalities, provinces, institutions, individuals and corporations, and which involve some measure of public support or financing. These are public works, housing, highway, town improvement and scores of other projects. They are at the forefront of hundreds of corporate, community and institutional postwar plans.

Yet until the Government can decide how to tackle the complex and explosive question of Dominion-provincial relationships—a question which was left on the nation's doorstep after the Rowell-Sirois report, and which has only been temporarily shoved aside by the war emergency—no decision is possible as to how and to what extent one or any of these projects can proceed.

Curtis Subcommittee

The particular housing recommendations which have been recently laid before the Government are those which have been under study for a considerable time by the Curtis subcommittee of the James Advisory Committee on Reconstruction. The James report proper has been in the Government's hand now for some time, but the subcommittee reports on housing, agriculture, and postwar employment of women have arrived only within the past two or three weeks. The deadline for these subcommittee reports was Dec. 1.

Professor Clifford Curtis of Queen's University has been chairman of the housing subcommittee. What is involved in his recommendations are far-reaching changes aimed at the complete overhauling of the National Housing Act.

Especially covered in the report are some very important recommendations on the whole question of town planning with particular attention to the part that federal, provincial and municipal governments should play and some revolutionary suggestions for financing and handling this type of undertaking.

Another entirely new field which the committee has approached is that of farm improvements, as a special area to be dealt with on an emergency basis in the postwar era.

There are also important and very significant innovations recommended in the field of low-rental housing which are of special interest to municipalities, loaning institutions, etc. Home improvement is another important field covered by the report.

Quality Bonus Likely For Top Grade Hogs

By STAFF WRITER

OTTAWA.—It may be taken for granted that important changes will be made shortly in the Government's 1944-45 bacon program.

Steps will be taken both to lessen present price disparities and to divert more bacon from home to export channels. Further subsidies will probably be paid as an incentive to produce top quality hogs.

The Government is expected to back away from re-imposing restrictions on slaughterings for the domestic market, but may devise some more acceptable system for seeing that a larger proportion of hogs are made available for export use.

In the present year, the Meat Board will have purchased for export to Britain, about 590 million pounds of bacon. This is 85 million less than the 675 million U. K. quota for 1943. Thus, despite an all-time record flow of hogs to market, and the imposition during most of the year of strict control over domestic marketings, we were still short on our 1943 goal by this amount; we were able to deliver only about the same amount of bacon as Britain is now seeking for 1944.

See 25% Drop

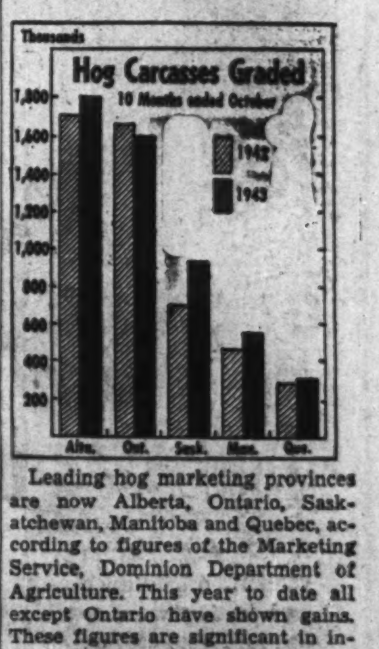
What emerged from the Dominion-provincial goals conference was the realistic fact that after the first few months of 1944, hog marketings are due to drop steadily, are likely to fall at least 25% behind current levels by the fourth quarter.

One thing the conference established clearly was the continuing over-all need for hogs so far as Great Britain was concerned. Personal appearance of British Foods Minister, Col. J. J. Llewellyn, to say that Britain would like to get 600 million pounds of bacon from Canada in 1944, went a long way to refute the recent Regina contention of Mr. Gardiner that the U. K. didn't need as much Canadian bacon. Col. Llewellyn also confirmed the fact that, while U. K. was not worrying about shipments during the first half of 1944, it foresaw the need for cutting the U. K. ration from 4 to 3 ounces if over-all shipments from Canada did not exceed the 450 million pounds twelve-month contract quota.

The fact that the conference left the 1944 Canadian hog goal at the 1943 figure of 7 million hogs, appears to many to be confirmation of the continued need for hogs and refutation of the government's earlier position. It now appears clear, moreover that the chances of reaching the

(Continued on page 2, col. 3)

Pace of Business



Leading hog marketing provinces are now Alberta, Ontario, Saskatchewan, Manitoba and Quebec, according to figures of the Marketing Service, Dominion Department of Agriculture. This year to date all except Ontario have shown gains. These figures are significant in indicating hogs marketed for processing by packing plants interested in the export trade and may not give as accurate a picture of over-all hog marketing which would be influenced by local sales for home consumption, a factor probably more important in Ontario and Quebec than in the prairie provinces. All provinces, it is understood, have seen a sharp gain in hog marketings in November, a condition not yet reflected in published data.

For complete business figures, see page 7.

Montreal Power Plans Go Ahead

From Our Own Correspondent

MONTREAL. — Expropriation proceedings by the Quebec Government against Montreal, Light, Heat & Power Consold. will be complete "before we go before the people to have our mandate renewed," according to Hon. Wilfrid Hamel, Minister of Lands and Forests.

A provincial hydro "will make easier the realization of a vast program of rural electrification now under consideration," he said, adding that employees of the firm had nothing to fear and that municipalities would be protected against any loss of revenue brought about by provincial ownership.

Your Personal Income Tax

Molyneux L. Gordon Gives a Few Simple Rules For Determining Taxable Income of a Landlord And Indicates What is Taxable; What Tax-free

By MOLYNEUX L. GORDON
Article No. 2

This is the second of an authoritative series on personal income tax by Molyneux L. Gordon, K.C., Toronto. This week he discusses some tax problems met by the landlord. Mr. Gordon, who has written previous series for The Financial Post on Corporation Income Tax and Excess Profits Tax, has specialized on tax questions. He is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939, with one supplement 1937-39 and another 1939-42 recently published. Mr. Gordon is also the author of "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942."

For centuries investments in land were highly regarded by conservative persons. Taxes were low and returns were satisfactory.

During the last forty years things have changed. The cost of education and many social services, unknown to our forefathers, have been charged upon land. The cost of sewers, waterworks and concrete roadways have increased.

Investments in lands may be made for two purposes. The first, in order to obtain an annual revenue, and secondly, if you buy the land cheap and are lucky enough to sell you may make a substantial profit which is non-taxable.

But it is important not to buy and sell too frequently, otherwise the Tax Department may claim that you are in the business of buying and selling real estate, in which case any profit made on resale will be subject to tax. For instance in Scotland a mechanic in four years purchased seven properties and sold four, and the Court referred [1] the matter to the Commissioners to ascertain if this man was carrying on a trade. In another case a man formed a syndicate to purchase two spinning companies and the Court held that the profit was non-taxable, but later on he completed three other mergers and the court held [2] that he was carrying on a trade and all the profits were taxable.

This does not apply to land obtained by inheritance, as the Supreme Court of Canada has held [3] that if executors chose to subdivide the profits would not be taxable. The same principle would apply to a farmer who is located close to a large city and finds that he can cut up his land into lots and sell it to advantage.[4]

Allowable Deductions

A landlord is entitled to deduct from the income he receives usual expenses.

DEPRECIATION. You are entitled to deduct 2½% depreciation on brick buildings and 5% on wooden buildings. In both cases depreciation may be deducted at the rate of 5% on elevators and boilers. When the cost has been reduced to 20% depreciation starts again at the above rates on the remaining 20%.

INTEREST AND INSURANCE. Interest and insurance are part of operating expenses and interest on a mortgage and premiums on insurance may be deducted. There is a special ruling in regard to war risk insurance which limits the deduction to 50% of the amount of the premium.

LOSSES. At the present time if your expenses exceed the revenue you may deduct

(Continued on page 5)

FINE APPAREL FOR MEN

MEN'S SHOP

NEWLY ARRIVED IMPORTS!

Burberry Overcoats

and

Daks Slaks — Sport Coats

BURBERRY COATS — Long awaited arrivals for which so many men have inquired. Fine, tasteful woollens skilfully crafted by this internationally known coat maker. Casual Ulsters for men and young men. Sizes 37 to 42. Each ...... 65.00 and 70.00

"DAKS" TROUSERS — A timely shipment for Christmas giving—"Daks", the sport slacks preferred by men of good taste. Elegant wool worsted flannels, precision tailored for trim, easy fit, and carefully finished in every detail. Choice of blue or green lovat. Sizes 30 to 40. Pair 11.95

SPORT JACKETS — Colourful imported tweeds, faultlessly tailored—trim, single-breasted sport jackets for the young or more mature build. Matchmates for your odd trousers—a grand complement for a pair of "Daks" slacks. Sizes 37 to 42. Each 30.00

The Men's Shop

Civil and Military Outfitters

EATON'S-COLLEGE STREET

The War and Business . . .

More Air Lines

Latest development in Canada's postwar air transport plans, is the report that Trans-Canada Air Lines is currently making a survey of a route to the West Indies, via Bermuda. In addition to the Canadian main-line service, TCA is operating now between Canada and Newfoundland and between Canada and Britain.

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Post Writer in Britain

Ex-Post Writer, R. C. Stark, now with the Canadian Army in Britain, says:

"Most impressive is how healthy and well fed the people look. Clothing appears to be of good quality and most people are reasonably well dressed. There is apparently a lack of variety in foodstuffs while surprising to me is the little amount of bacon displayed despite our reported heavy shipments.

"Dealing in second-hand goods, particularly jewellery and hardware is evident, the former being particularly scarce and quite high priced. Utility articles have been designed for many lines—fountain pens, lighters, etc., so that a citizen can get along at least fairly well. Everything is not sky high in price—example a pocket flashlight at 1/10 complete with battery. Another big surprise is large quantity of shaving soap and dental cream."

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Paper Licenses

Paper is to get a new use replacing steel this year. At least three provinces—Alberta, Saskatchewan and Ontario—are dispensing with the old-style metal automobile license plates. In their place, paper stickers will be issued to be attached to the windshields of autos. British Columbia is going to issue metal license plates again but only one per car instead of two, same as was done 1942 and 1943.

A few hundred tons of steel will be saved in this way—Ontario estimates about 200 tons for that province alone. But automobile windshields, with one or two gasoline ration stickers required plus any optional stickers the motorist may desire, take on a curious piebald effect.

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What Kind of Salvage

Salvage requirements are changing from day to day. Most recent evidence of alteration is the indication that scrap rubber is not so urgently desired. Fairmont Co., the Crown company handling rubber supply problems in Canada, is discontinuing payment of freight shipments after Jan. 15, 1944.

At present it appears that prime urgency is on the following:

1. Waste paper, wherever it can be collected and shipped economically to paper dealers or paper mills, particularly corrugated, craft, cardboard, bags, as well as old newspapers.

2. Rags, particularly of cotton, for use as wipers in armed forces mechanical establishments and war factories.

3. Fats and bones for military medicines, production of hard fats, soap and compound oils for many war and civilian purposes.

Must Dovetail Salvage Plans

(Continued from page 1)

items between departments and agencies of the government of Canada, and sales of any such items may continue to be made under any regulations or authorizations heretofore in force and applicable thereto."

That means, in effect, that the general idea at present is to continue existing facilities for the disposal of goods until such time as the Cabinet decides something to the contrary.

Definite Policy Later

Once the Allocations Committee is set up, it is expected that a definite policy will be established, although the mere setting up of the committee and the laying down of general principles for war material disposal will not necessarily mean that an organization like the Salvage office will entirely disappear. There will still be the normal salvage problems of government departments to look after; still be a need for making available to the government, used office and other equipment. It may be that the Salvage Office will be continued for that purpose—a purpose which may carry over many years after War Assets Corp. has served its usefulness.

To date, only a very limited amount of salvage from army and service stores has become available. In fact, one of the major problems to be solved prior to proper functioning of War Assets Corp. is a decision by the government as to the approximate postwar size of Canada's army, navy and air force. Until that decision is made it will not be known on what basis, surplus army stores of one kind and another are going to be available.

Until some of these important decisions are made, there will be no change in the present system of disposing of the very small amount of materials, supplies and equipment are currently available.

Base Metal Mines Get Men From Mid-West

(Continued from page 1)

development can be carried on at present and preparation of stopes and exploration for new ore are both suffering.

Before the war Noranda prepared for contingencies that might arise: Faces were drilled off for years ahead so ore could be easily blasted for production. But drilled-off faces of those days are a thing of the past and operations are on a current basis. Cut and fill stoping is now being used to a greater extent with resultant greater demands on labor. The mine, as reported some time ago, has a good backlog of about 15 years' ore above the 3,000-ft. level but much advance work in the way of stope preparation is required to keep a steady flow of ore to the mill. Indications are that up to two years may be required to put the Noranda mine back in shape after the war as a result of the effects of war demands for high production coinciding with a labor shortage.

Waite Better Off

Waite Amulet Mines hasn't been quite so hard hit as Noranda, The Financial Post is informed, but the labor shortage is serious at this mine and has not been eased recently. Mining sulphide ores. such as those at Waite Amulet and Noranda, does not allow the building up of large reserves of broken ore since this material would oxidize, making adequate extraction difficult.

Many base metal mines, other than Noranda and Waite Amulet, have suffered from a development standpoint as result of labor shortage.

Normetal, for instance, is now handling only around 500 tons daily against capacity of 800 tons.

Sherritt Gordon is using all its new manpower to catch up development and The Post is informed that production rate shows no appreciable change for the better.

Since the increase in the supply of mine labor, at certain points, comprises almost entirely farmers and local settlers, it is expected there will be almost a corresponding loss when the next farming season rolls around. Mining men attribute the much greater improvement in western labor situation to more effective steps taken out West to acquaint farmers with the possibilities of winter mine work, and to assure them that their military exemption would not be lost by leaving the farms temporarily.

At least one step taken to assure base metal mines of adequate labor supply had a somewhat opposite effect. Many men left base metal mines to escape the freezing order and it is doubtful if the order has contributed much to maintaining an adequate labor force in strategic base metal mines.

Canadian Bacon Wins A Place

(Continued from page 1)

ous waters, to the war-geared farms of our Dominion.

I saw hundreds of cases of dried egg powder which is a staple in every weekly market basket here; piles of 60-pound cheeses from eastern Ontario and Quebec; and a sizeable fraction of the 600 million lbs. of bacon which Canada is sending across this year. There was bacon in almost every stage of its processing; "green" as it arrives—the halves of the hog tied up in burlap; "washed" after treatment in the hosing room; and smoked after 48 hours' suspension over smouldering sawdust in a sealed chamber. And it was my unique experience to hear the high quality of our Canadian bacon extolled by officials of the Danish Bacon Co.—largest British import-distributiors of this commodity, and before the war dealing mainly in shipments from Denmark.

The warehouse I visited is one of some two dozen owned and operated by the company and located at strategic distributing points throughout Britain. This particular centre, situated at a south coast port, serves the surrounding area of about twenty-five miles and handles essential foodstuffs for half a million people. It also provisions ships of the merchant navy. It is, in brief, a vital link in the great chain of receiving, handling, processing, wholesaling, which the Ministry of Food has forged and made to work with a remarkable degree of efficiency and speed. One doubts, however, if a government department, even armed as it is with special powers and all manner of controls, could have carried through a successful wartime program without the close co-operation of such leaders in the food industry as Mr. Frank Herbert, president-director of the Danish Bacon Co., and my guide on this tour of inspection.

The British Businessman

It is too much to expect that Mr. Herbert is typical of British businessmen, but he may at least be regarded as a promising sign. He is a man of wit and culture and broad interests in the best 18th Century tradition of an English gentleman; he is also a thoroughly modern executive who insists on scrupulous cleanliness in his plants, concerns himself with the welfare of his employees, and looks ahead, with a nice balance of imaginative idealism and honest realism, toward the challenge of the postwar world.

He believes in a policy of continued collaboration among nations, in peace as well as in war.

Quality Bonus For Best Hogs

(Continued from page 1)

7 million goal, in light of feed and manpower shortages and other difficulties are not good. The best that the experts now hope to do in 1944 is something around the 6 millions mark.

However, the fact that the goal was left unchanged was considered reaffirmation of the earlier idea that hogs are top priority for Canadian farmers.

What is certain to emerge in the new program is some incentive to higher quality production. Thus payment of a new bonus would almost certainly carry the rider that it be paid on only top quality hogs. As Col. Llewellyn admitted at the conference: "When the war is finished it will be well to look around to see if the time has not come to grade bacon more carefully and not to send overseas overly fat hogs." Though this remark was pointed at postwar conditions, it was obviously intended to remind Canadian hog producers that even in wartime the Britisher does not relish fat bacon.

The aim of the additional subsidy on an incentive basis will be to encourage farmers to market top grade hogs even if the total weight available for home and export consumption is thereby reduced.

Beatty Bros.

Years Ended Aug. 31:	1943	1942
Earned per share:*		
1st preferred	....	$75.68
Paid	‡$1.75	6.00
2nd preferred	67.07	89.23
Paid	7.00	7.00
Common A	8.65	14.33
Paid	0.75	....
Common A & B ...	2.43	4.02
Working capital	$5,090,429	$5,827,921
*Not includ. refund. EPT of	173,871	44,929

‡Dividends paid at rate of $6 up to time of redemption, Dec. 15, 1942.

(Previous year's figures shown in brackets below.)

Due to curtailment of sales to civilian consumers which was not compensated for by increased war production, net profits of Beatty Bros. for the year ended Aug. 31, 1943 dropped to $376,620 ($660,151). These figures do not include the refundable portion of the excess profits tax of $173,871 ($44,929). Operating profit for the year, before salaries, depreciation and taxes came to $1,643,394 ($2,145,037).

All of the 6% first preferred stock was redeemed, as well as 1,181 shares of the 7% second preferred, leaving 5,615 second preferred outstanding. This resulted in a $101,000 premium on redemption which was put down as an adjustment to surplus.

Reduction in working capital is accounted for by the decline in accounts receivable because of curtailed civilian sales. In his report to shareholders W. G. Beatty, president, states the company intends to maintain its strong liquid position to prepare for postwar adjustments.

In spite of reduced earnings the company had the second best year in its history and for the first time paid dividends on its common stock. In the new fiscal year 25c. a share has already been paid on the Class A common and on Jan. 3, 1944, 37c. and 12½c. are payable on the Classes A and B stock respectively.

Canadian Food Products has issued $200,000 principal amount of 5% debentures, maturing at the rate of $50,000 each Nov. 1 from 1944 to 1947 inclusive, under a trust deed dated Nov. 1, 1943, arranged between the company and the National Trust Co. The deed provides for issuance of debentures up to $2.5 millions.

Canadian Pacific Railway has declared a final dividend of 2% on its preference stock in respect of the year 1943, payable Feb. 1, 1944, to shareholders of record Dec. 31, 1943. This is the regular half-yearly payment and makes 4% for the year.

Investor's Index

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A 181

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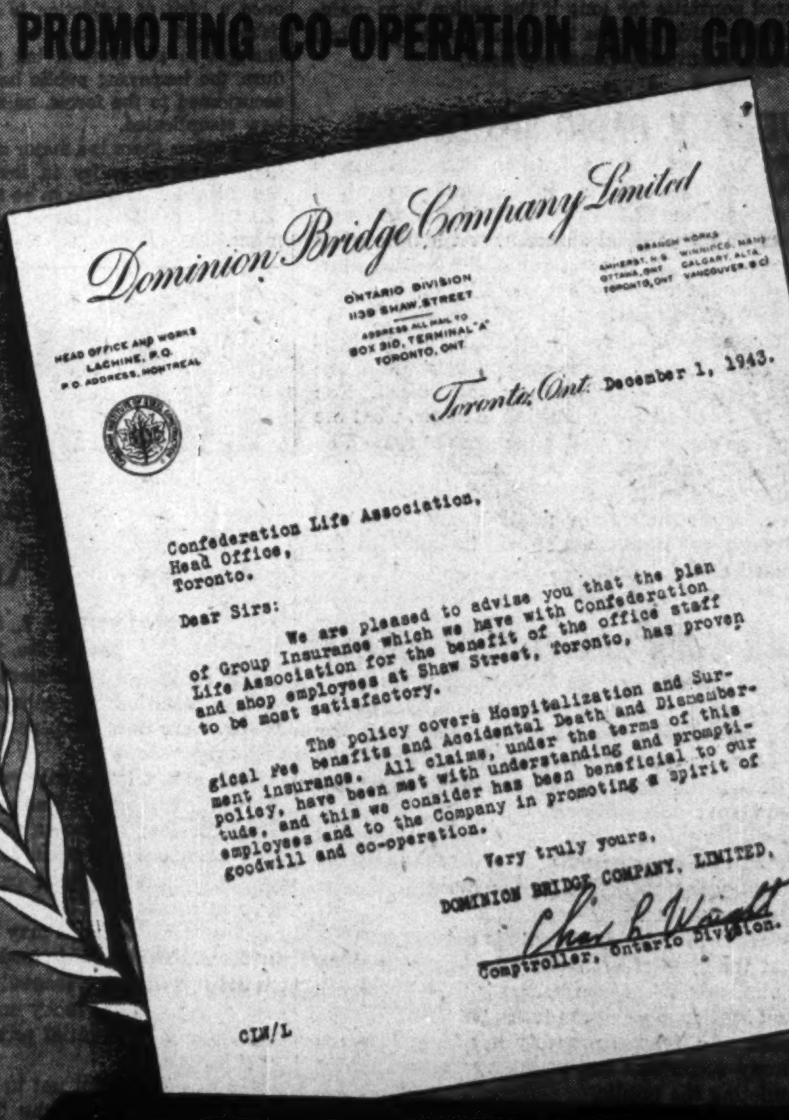

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Toronto, Ont. December 1, 1943.

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DOMINION BRIDGE COMPANY, LIMITED,

Chas. L. Wright

Comptroller, Ontario Division.

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240 Yonge Street, Toronto

Company Earnings Decline

B. of C. Summary Shows Sharp Curtailment in 1942

The second and larger of the compilations of corporation profits prepared by the Bank of Canada has now appeared. It covers 628 Canadian companies to the end of 1942, comparing with the 1941 tabulation which added up the profits of the 484 companies then available.

What the latest tabulation shows is a gradual rise in profits from $251 millions in 1936 to $380 millions in 1941, followed by a drop to $360 millions in 1942 as the present 100% excess profits tax began to make itself felt.

Accompanying this growth in profits has been a decline in dividends disbursed, which peaked at $250 millions in 1938 and have since tapered down to $233 millions in 1942. Since 1939 there has been an average gain of 9½% in profits, an average drop of 3% in dividends. The percentage of corporation profits paid out in dividends has (since 1939) fallen from 73% to 65%.

Further shifts in the profit picture are shown in the following table, which depicts, in order of size, the increases or decreases in profits since 1939. Note that the refundable portion of excess profits taxes is here included with current earnings:

	Increase since '39 %
Railways	312
Machinery	187
Misc. transport.	150
Rubber	100
Pulp & paper	87
Retail service	87
Drink	45
Elec. Mach'y.	9
Retail trade	32
Communic'ns	22
Paper products	20
Wholesale trade & serv.	18
Iron & steel	18
Textiles, apparel	18
Wood products	7
Non-metallics	6
Non-ferrous metals	3
Elec. utilities	2
Leather	0

	Decrease since '39 %
Tobacco	8
Food	9
Chemicals	12
Printing, pub'g.	21
Coal, petroleum	25
Gold mining	33

Profit Statistics For 628 Cos.

(Millions of Dollars)

Fiscal Year Nearest to Calendar Year	1936	1937	1938	1939	1940	1941	1942
Net oper. profit (before deprec.)	439	532	469	565	716	905	1,013
Deprec., def. devel. & patent w.o.	112	120	124	135	162	206	264
Invest. & oth'r non-oper. inc. (net)	54	60	57	54	49	55	53
Bond int. (incl. exch. & amortiz.)	79	79	77	77	77	75	74
Net profit bef. inc. & E. P. T.	302	393	325	407	525	679	728
Inc. & E.P.T. (ex. refund. port.)	51	65	56	79	188	299	349
Net income to stockholders	251	328	269	328	337	380	379
Forced saving (refund E.P.T.)	..	..	..	..	..	..	19
Net income avail. for devidends	251	328	269	328	337	380	360
Cash dividends paid	196	234	250	240	239	239	233
Undist. income (ex forced saving)	55	94	19	88	98	141	127

On the basis used above, including refundable EPT with current earnings, the average profits gain between 1939 and 1942 was only 16%, despite the astronomical percentage gains shown for the handful of depressed industries at the top of the list. One of the significant features of the report is that the biggest increases have come where least expected before the war. Railroads, other transport and pulp and paper are near the top of the list, while iron and steel is barely above average, non-ferrous metals have only gained 3%, while chemicals, coal and petroleum have shown declines although these industries would have been regarded as "war babies" in 1939.

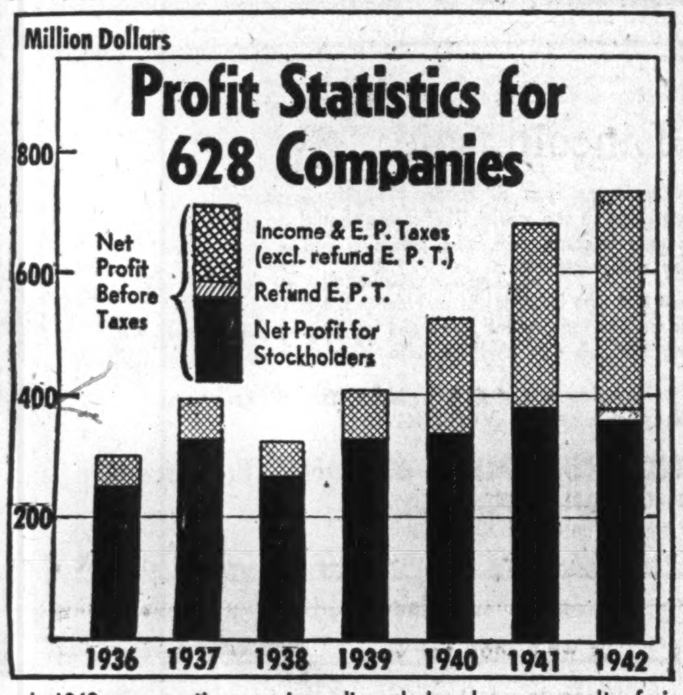
Two factors account for the failure of dividends to keep pace with profits:

1. The Bank of Canada figures add allowances for depletion into net profits available for dividends. This runs counter to general corporation practice and tends to inflate the earnings of companies which are using up wasting assets.

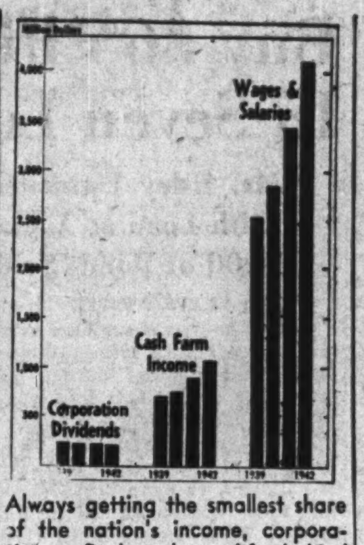
2. There has been a major redistribution of total profits. Some established dividend payers have been forced to curtail payments, while many of the firms now earning profits for the first time have not considered it advisable to commence payments until some sort of a reserve against postwar contingencies has been built up.

Example of the second point is that profits of the one railway tabulated, clearly the CPR, have risen $30.6 millions, almost enough to account for the entire rise of $32 millions for all corporations. Since the CPR has not yet declared any dividends, the returns on this company alone would account for the smaller ratio of dividends to profits.

Bank of Canada figures show larger profit increases than similar tabulations made by The Financial Post. There are two reasons—The Post compilations embrace only companies whose shares are in the hands of the public, a much smaller list, and The Post includes financial companies, whose profits and dividends have been harder hit than those of the industrial concerns listed by the bank.



In 1942, corporation earnings slipped sharply as a result of six months of 100% excess profits taxes. For 1943, with the 100% rate effective throughout, earnings will likely be still lower.



Always getting the smallest share of the nation's income, corporation profits have lagged far behind wages and farm income during the war.

LONDON CALLING by Adelphi

Competition Again Rules Newspapers As New Ration Allows More Readers

CABLED TO THE FINANCIAL POST

By ADELPHI

LONDON.—Newsprint was heavily rationed here after the war got really started. Not only did the newspapers reduce their size, but their circulation was pegged at the average figure of their sale for three months preceding outbreak of war. With the splitting up of families, the intake of women by factories, creation of huge military camps and the arrival of overseas troops, demand for newspapers was far above normal. Thus the highly competitive industry of the press found itself enjoying a profitable siesta.

None of them, by agreement, could engage in promotion schemes. Cost of production was brought down by using a miniature size and scrapping of sporting editions. Supplies were quickly exhausted and newspapers all urged their readers to hand copies around. The position of the editors was impregnable. They were able to tell their proprietors that they were sold out every day. Therefore, since things which are equal to themselves are equal to each other (this does not seem quite right), it followed that the editors were good.

* * *

End of Honeymoon

Then Brendan Bracken played an unintentional practical joke. He announced there would be an additional ration of newsprint but that it could only be used to increase the numbers and not the size of the newspapers. The siesta was over. The Fleet Street honeymoon was interrupted. The Times, Telegraph, Express and Daily Mirror took up their full quota which was absorbed at once by public demand but the left wing Daily Herald and News Chronicle as well as the right wing Daily Sketch and Daily Mail found they did not need any heavy extra supplies. The Sunday newspapers had much the same experience. The News of the World, now selling five million copies every Sunday, took its extra ration in one gulp. So did the high-toned Sunday Times. Some of the others had to say they were not feeling like an extra helping. All of which is healthy for journalism. Nothing is so bad for a newspaper as to sell out automatically, regardless of its merits. Fleet Street is waking from its sleep.

* * *

"The Aspidistra"

One of the quiet miracles of British magazine production in wartime is "Everybody's" magazine. This is owned by Mr. Frederick Poke and is edited by his son Greville Poke. Some years ago it was a competition journal. That is, it provided answers to crossword puzzles and all the other competitions that raged through the press. Then it became a rather sensational, noisy publication, but Frederick Poke is wealthy and decided he would only publish the kind of magazine that he himself would like to read. He loves the past, the cultural, historic past.

So he proceeded to run articles, adorned with excellent color plates, on the Crusades, the Maltese Knights, the Man in the Iron Mask, and the origin of coach building to the story of Joan of Arc, the Fire of London and mixed them with scholarly articles on present day affairs. Somebody called it "The Antimacassar Weekly." Someone else christened it "The Aspidistra." But Frederick Poke and his son in their Wimbledon home can afford to smile. First, they have a magazine which they enjoy reading; secondly, they have a publication which sells 800,000 copies a week and is not far off from being worth £800,000 as a property. That is what is known as making one's hobby pay.

* * *

Newfoundland's Fate

It is expected there will be a two days' debate in the House on the conduct of the war. Eden will speak first, but Parliament is hoping Churchill will also take part. The Prime Minister always tells the House more than any other member of the Cabinet. The day after the troubles of Newfoundland will hold the floor. It promises to be a lively affair.

Everyone is urged not to travel during the Christmas holidays. In fact we spend our whole lives, just as you do in Canada, being urged to use less coal, travel less, spend less and save more. Now we are being advised to sneeze into our handkerchiefs. It looks like a Merry Christmas.

* * *

The Flu Epidemic

For the moment the subject of the flu has forced its way into the headlines of the newspapers. It is not a virulent type such as we experienced in 1918, but it is putting a considerable section of man and woman-power out of business for a few days at a time.

Perhaps because of germ-permeated audiences the theatres are suffering many embarrassments. When the curtain rang up last Saturday on Noel Coward's "Blithe Spirit" every part but one was played by an understudy. At Birmingham the D'Oyley Carte company made history with a ladies' chorus "Twenty Love-Sick Maidens." Exactly 14 sang it to the utter astonishment of the audience.

Mr. H. U. Willink was appointed Minister of Health and promptly took to his bed. When he got up he issued a statement to the press on how to avoid influenza.

Churchill appears to treat germs and Germans with the same contempt. It may be that cigars provide a smoke screen or even a medium of asphyxiation for microbes. The Prime Minister has his own rules of well-being although I doubt if they will ever be endorsed by the British Medical Association. He takes no exercise that he can avoid, stays up until all hours. As for flying across oceans, and attending conferences, they have the same effect on him as a holiday at Palm Beach.

Anthony Eden also grows physically stronger with the strain of office, but then what is this terrible strain which makes ministers occasionally look and speak like weary titans on whose shoulders the whole world rests? No one will deny that the cares of high office are heavy indeed and that they are enough to break the constitution of any ordinary man. The truth is, I suppose, that ordinary men do not become Prime Ministers. At any rate Gladstone, Disraeli, Baldwin, Salisbury, the Duke of Wellington, Lloyd George—all defied the Psalmist as if he were no more than a misguided political opponent.

Mr. Mackenzie King is another premier who defies the years. Perhaps only business men and golfers feel their age when they are 70. Politicians are only getting their second wind.

Federal Grain Shares Listed

The Toronto Stock Exchange announces that application for listing the 30,000 outstanding 6½% cumulative redeemable preference shares, and 160,000 outstanding Class "A" common shares of no par value Federal Grain Ltd. has been granted and the stock will be posted for trading on the exchange at the opening, Thursday, December 16. Ticker abbreviation will be FGN.

The company owns 381 country elevators with properties in the provinces of Manitoba, Saskatchewan and Alberta, with an aggregate capacity of approximately 17,866,000 bushels, and two terminal elevators at Fort William and Port Arthur, having a combined capacity of 5,225,000 bushels. The company also controls, through its wholly-owned subsidiary, the Alberta Pacific Grain Co. (1943), 429 country elevators with properties in Alberta, Saskatchewan and British Columbia, having an aggregate capacity of approximately 21,900,000 bushels; terminal facilities at Vancouver, with aggregate capacity of 2,287,000 bushels and a terminal elevator at Port Arthur with capacity of 2,350,000 bushels.

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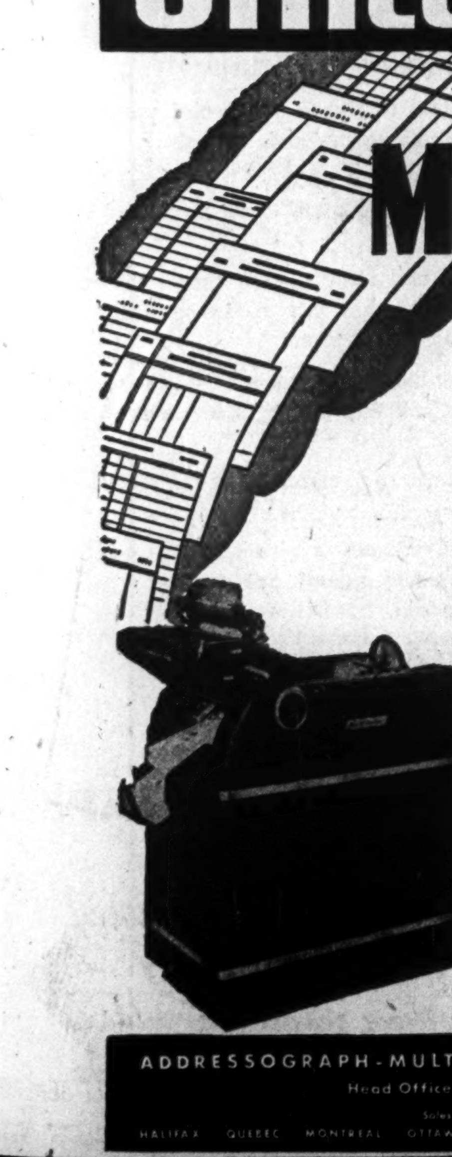

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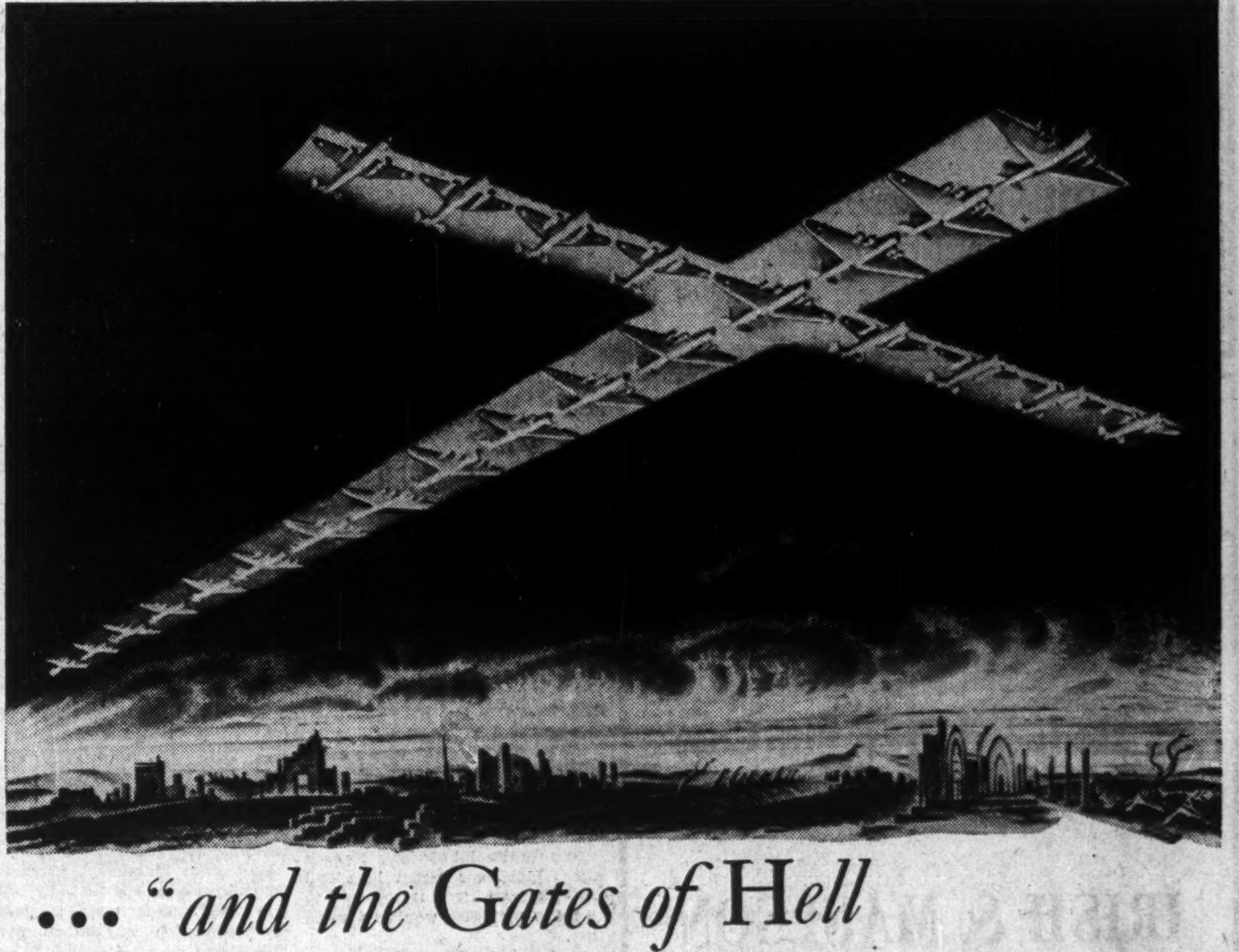

. . . "and the Gates of Hell shall Not Prevail against it"
• ST. MATTHEW 16-18

IGNORING the powers of reason and the Christian precepts of tolerance, love, pity and mercy, Nazi Germany brought upon peaceful countries the horrors of war.

Blitzkrieg they called it—bragged of it as a military master stroke!

What did they care that millions of young men would die? What mattered it to them that torpedoed seamen would perish in icy seas or blazing oil? What mattered it that millions of old folks would be made homeless, to starve or freeze — that children would be made orphans, or maimed and killed by bombs.

Thousands of young Canadians are offering their lives on far-flung battlefronts. Thousands more are preparing to take their places beside them. Every day, every minute less it takes to crush our enemies will save precious lives and untold misery.

Knowing these things, every Canadian — farmer, mechanic, factory or office worker, stockholder, politician, or manager — must do everything within his power to end this war.

Knowing these things — we at Thompson Products dedicate ourselves anew to unrelenting effort in order that the forces of evil may be banished from this earth.

Published by the "Top Production for Victory" Drive Committee of

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SPECIALIST in Foreign Trade Investigation, Sales Promotion, and Commercial Surveys invites correspondence with firms interested in developing new markets. J. M. Suite 205, 1111 Beaver Hall Hill, Montreal.

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Four Provinces Investment Company, 233 Somerset Bldg., Winnipeg.

Investments

The Surplus War Goods Bogey

It is no news to investors that business generally is most concerned over the methods to be taken in disposing of surplus war materials now in the possession of the armed forces. But precise details of the size of those surpluses and of the extent to which their uncontrolled release might injure the position of the investor have not been available.

The size of the surpluses has been estimated at a possible $3 billions, but such estimates cannot be much better than guesses until the war is won.

How much of this material can readily be sold in peacetime markets can be answered more definitely. Last week a textile company executive, who has also been active in the wartime administration, told The Financial Post that about 20% of the textiles supplied to the armed forces would be suitable for civilian use. By far the majority of these items would be used as work clothes, as would most of the boots furnished to the armed forces. A smaller proportion would probably find a market with campers and sportsmen.

An ordnance officer contacted by The Post ventured the same opinion—that 20% of all the supplies under his care might find a ready civilian market. He listed the types of merchandise most affected in this order:

Hardware, including tools for garages, metalworkers, etc.

Kitchen supplies, suitable for hotels and large restaurants.

Radio equipment suitable for battery sets only.

Heavy construction equipment, cables, bulldozers, tractors, etc.

Textiles and clothing.

The ranking which the ordnance officer gave to these commodities was based on his appraisal of the extent to which military surpluses could take care of the entire consumer demand. Thus, while he estimated that many of the repairs and replacements on battery radio sets could be taken care of for years, he pointed out that the Army has virtually no power radios or tubes and equipment for them, that it has very few loudspeakers or other equipment used by the average listener. Battery sets accounted for 29% of the total in 1939.

In the final analysis, it appears that hasty liquidation of surpluses could do considerable damage, but that the injuries would likely be concentrated in a few lines, lines which are not for the most part represented by investment securities.

• • •

Quebec Pulp Revives

Last week Quebec Pulp & Paper Corp. 7% Preferred moved up a point to 26, bringing with it a moderate revival of the optimism concerning this stock's outlook. In 1942 Quebec Pulp was an outstanding performer, moving up from below $5 to $30, since when it has backed and filled between $20 and $30.

Now in bankruptcy, the latest annual report of the company showed an equity of $70.85 for the preferred at the end of 1941. More conservative estimates place the present equity as low as $40 per share, with other estimates ranging all the way between those two points.

Because the Quebec Government has a substantial claim against the company, and because its securities are held by many Quebec religious and financial institutions, it is felt that the Quebec Legislature will expedite the winding-up procedures at the next session in January.

Investment men interested in the stock admit that it is almost a pure speculation, but they point out that it is one of the few remaining issues which offer a gambling chance of substantial appreciation.

• • •

Papers Lead Bonds

Bond markets for the week were featured by the newsprints, with Abitibi's gaining 4½ points (see last week's investment column) and Lake St. John 5's up 4, with the improved pulp-cutting picture largely responsible. Grain bonds were also firmer on news of improvement in shipments, Western Grain continuing to lead (see last week's column) as a result of coming sinking fund operations.

In the high grade field bond trading continues to be slack, although an improvement in the New York prices of Canadian bonds has led to a slight increase in international transactions.

By and large, the corporation bond list continues to suffer from a scarcity of offerings and a lack of bonds at healthy discounts. Where the market discovers anything in the bargain category, the upward reaction is almost instantaneous, as in the 3 point rise in Algoma Central Railroad bonds last week, a rise of close to 10%.

Buy $6¼ Billions Bonds In Seven Loan Drives

Mr. Ilsley Estimates $1.5 Billion Raised in Fifth Loan at Average Cost of 88c For Each $100 of Bonds Sold

By STAFF WRITER

OTTAWA.—Canadians have subscribed $6¼ billions in cash or conversion subscriptions during the seven war and victory loan campaigns of the past four years.

Final figures released this week by Hon. J. L. Ilsley show that over $1.5 billions, or more than 25% of this total, was subscribed in last month's Fifth Victory Loan campaign. Over 47% of the total, or slightly less than $3 billions, was subscribed in the past year in the Fourth and Fifth campaigns. More than 90%, or about $5¾ billions, has been subscribed in the past two and a half years under the five Victory Loan campaigns.

Cost Goes Down

Moreover, cost of raising the money has shown progressive decline. Mr. Ilsley estimates the Fifth Loan, biggest of them all, cost 88 cents to raise each $100 of bonds sold. This compares with $1.09 per $100 for the First Victory Loan; just over 98 cents per $100 for the Second and Third Loans and slightly over 92 cents for the Fourth.

Average size of subscription in the payroll and general canvass shows little change, being just over $200 in the latest campaign against just under $200 per application for the Fourth Loan.

Some of the highlight achievements of the Fifth Loan are as follows:

Number of individual subscriptions to the Fifth Loan jumped 12½% to a new all-time record of 3,008,336. This was a gain of 339,000 over the corresponding figure of 2,669,111 in the Fourth Loan.

In addition, 24,715 applications were received during the Fifth Loan to convert $188 millions of maturing Dominion of Canada bonds into the Fifth Victory Loan.

New cash subscriptions to the Fifth Loan increased 15% over the $1.2 billions objective, to reach a new record peak of $1,383 millions. The final total is $75 millions greater than the corresponding figure for the Fourth Loan.

General and payroll canvass subscriptions were also up 15% over their $525 million objective for a new record mark of $603.7 millions. This compares with an actual sale of $529.5 millions in the Fourth loan.

Individual special name subscriptions were slightly below the $37.2 million mark of the Fourth Loan at $26.9 millions but corporation and institutional sales nosed out the Fourth Loan figure of $742 millions by a margin of $11 millions to reach a new high mark of $752.7 millions. (These figures are exclusive of conversions.)

The complete record of Canada's Five Victory Loans is as follows:

Canada's Five Victory Loans

	Total subscriptions (number)	General and payroll canvass	Special names	Corporations & institutions	Total Cash subscription*
		—in millions of dollars—			
1st—V	†968,259	279.5	36.5	414.4	730.4
2nd—V	†1,681,267	335.6	29.0	478.5	843.1
3rd—V	2,032,154	374.8	26.3	590.3	991.4
4th—V	2,669,111	529.5	37.2	742.0	1,308.7
5th—V	3,008,336	603.7	26.9	752.7	1,383.3

* Exclusive of $500 millions cash subscriptions allotted in first two war loans and $523 millions of conversions as follows: 1st and 2nd War Loans—$75 millions; 1st Victory Loan—$106.4 millions; 2nd Victory Loan—$153.6 millions; 5th Victory Loan—$188 millions.

† Includes conversion subscriptions.

A breakdown of the Fifth Loan shows that 44% of the new money came from payroll and general canvass; 30% from business firms and corporations; 12% from life insurance companies; 6% from governments; 3% from mining companies; 2% from special names and 3% from all other companies and institutions. The complete breakdown is as follows:

Where the Money Came From
(In millions of dollars)

	Fifth Loan	Fourth Loan	Third Loan
I—Cash Subscriptions:			
General & payroll	603.7	529.5	374.8
Special names ...	26.9	37.2	26.3
Corp. and Institutions:			
(1) Banks:			
Own account ..	....	0.5	0.5
Bk. of Canada	....	....	....
Total	....	0.5	0.5
(2) Govt.:			
Federal	22.4	30.8	22.7
Provincial	32.6	34.1	18.6
Mun. & school	23.8	20.3	13.2
Total	78.8	85.2	54.5
(3) Insurance Co's., etc.:			
Life companies	172.8	167.0	155.2
Other ins. cos.	13.3	15.5	12.4
Pension funds, etc.	10.8	16.1	9.0
Que. sav. bks.	4.9	4.6	2.5
Total	201.8	203.2	179.1
(4) Mining Co's.	48.3	54.7	43.6
(5) Trust & Loan	19.2	17.5	11.3
(6) Colleges, Churches, etc.	3.8	3.3	3.3
(7) Business firms	400.8	377.6	298.0
Total (1 to 7)	752.7	742.0	590.3
II—Conversions:			
General & payroll	38.2	....	....
Special names	2.5	....	....
Banks (own acct.)	67.7	....	....
Bank of Canada ..	72.0	....	....
Other corp. & institut.	7.6	....	....
Total	188.0	....	....
Grand total	1,571.3	1,308.7	991.4

Results of the Fifth Loan include 386,487 applications for $37.5 millions of bonds from men and women in the armed forces; $6 millions of this having been subscribed by forces overseas, including those in the Mediterranean theatre of war.

Commonwealth Pete. May Absorb Command

A proposal made by Commonwealth Petroleum Ltd. to purchase all the present assets of Command Oils will be considered by shareholders of the latter company at a special meeting to be held Dec. 29 in Calgary.

The price to be paid for the assets under the proposed deal will net Command a sum equal to 20 cents a share for each share issued. If the plan is approved, Command Oils will be wound up.

Commonwealth Petroleum already controls Command Oils, holding 1,321,086 of 1,665,630 shares

Market Comment

"Saucers" Forming

Despite continued strength in all sections of the market, none of the Canadian price indexes have reached a point where the chart follower can muster much enthusiasm. Shapely "saucers" are being formed in the Toronto golds, industrial and base metal charts, the same formation has appeared in the Montreal gold, industrial and utility indexes. The Montreal papers, moving much more steeply than any of the other indexes are in fundamentally the same position.

At the close on Dec. 14 the position still appeared inconclusive from a chart point of view. Neither recent highs nor recent lows had yet been tested, and it appeared to be a toss-up which would be tested first.

As far as fundamentals are concerned, the tendency now appears to discount some of the fears of reconversion and/or an early peace which loomed so large a month back. But there has still been little concrete information on which to base long-range purchases, and the present cautious attitude of investors and markets may continue until more positive information is available. It is noted that where a clear picture is presented, the market is quick to react, which is taken to indicate that no major declines are likely in the immediate future.

• • •

The Magazine of Wall Street, N.Y.—To sum up, it now looks improbable that the rest of December will provide a worth-while buying opportunity for intermediate term or longer-range investment purchases for appreciation; and that any rally into early January would only delay completion of the market's transitional readjustment. Therefore, we continue to favor retention of substantial cash reserves.

• • •

E. G. Bulmer & Co., Toronto—For the first time in several weeks the averages scored substantial gains. If the improvement continues until after the turn of the year, and the "bank line" goes down for three more weeks, our subscribers will once again be provided with an opportunity to sell at attractive levels.

• • •

Barron's, N. Y. (The Trader).—The market shows a willingness to advance, more particularly in fields where greatest advances have already occurred. Based on short interest figures at end of November and on the much slower rate of liquidation last month as compared with the late July movement, the technical situation would appear propitious for a January rise.

• • •

Barron's, N. Y. (Dow Theorist)—Past week's substantial rally in the Dow-Jones industrial and railroad averages, while accompanied by an increase in volume of trading, did not bring out the turnover which might have been hoped for.

From the standpoint of the Dow theory, the interpretation of an intermediate downtrend interrupt-

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When Victory comes, Canada will be on the threshold of greater prosperity than she has ever known. Necessities of war have developed industrial resources and techniques which can be utilized for economic and social progress of the entire country.

This threshold of prosperity can be crossed with success and confidence if experience and individual incentive are coupled with sound policies, determined efforts and productive work. Only in this way can Canada prove worthy of the courage and sacrifice now being displayed by her Fighting Forces in every battle zone.

In the meantime, buying Victory Bonds is not only the best way to support our Fighting Forces, but is also the best way to make provision for a sound and prosperous Canada to which they can return.

Continue to buy Victory Bonds.

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Abraham Lincoln said:

"Property is the fruit of labor; property is desirable, it is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.

"Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself; thus by example assuring that his own shall be safe from violence when built."

If these principles are worth fighting for, surely they are worth VOTING for.

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WHEN THE LAST SHELL HAS BEEN FIRED . . .

Have you thought of what is going to happen to your business when the big guns stop, the bombs cease falling, and the boys come home again?

Have you thought of the day when goods will be plentiful again — yours and your competitors — and your sales department will be in the selling business again?

About the postwar world no one can predict with complete accuracy. But this much is certain: the wholesale and retail trades will again be called upon to distribute the bulk of the nation's goods and services.

How do you stand with the trade? Retailers' goodwill and faith in your goods is one of the most important assets your firm can possess. Just what this means will become more and more apparent as the nation returns to a buyer's market.

Many firms, even though greatly oversold, are doing the spadework now — establishing a sea anchor of goodwill against the time when they will turn again to the retail trades for business.

In this most essential job one or more of the MacLean group of merchandising newspapers can be of infinite help to you.

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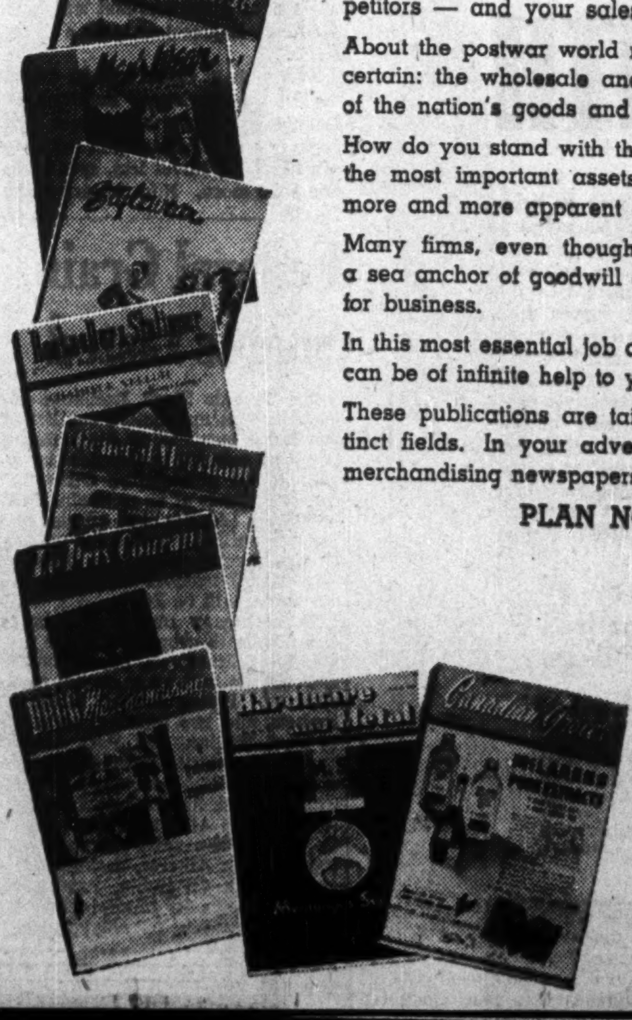
PLAN NOW FOR TOMORROW'S BUSINESS



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Any Estate Plan today must take account of Taxation

DIVIDE . . .

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THE TORONTO GENERAL TRUSTS CORPORATION

Head Office: 253 Bay Street, Toronto

Your Personal Income Tax

(Continued from page 1)

the loss from other investment income, but not from income derived from your chief business.

OBSOLESCENCE. There is no provision in the Act which permits a landlord to deduct obsolescence. Consequently it may be unwise to purchase a new apartment house, an expensive residence, or other types of property whose rental value mainly depends upon its modern character.

REPAIRS. It is very difficult to define what is included in these words. It is quite clear that if you put a washer on a tap the plumber's bill may be deducted notwithstanding the fact that the plumber takes out the old washer and puts in a new one. The case may be a little different if you have to install a new furnace or replace your roof. It was held in South Africa[5] that where it became necessary to repair a chimney which was constructed in sections and in order to complete the repairs it was necessary to tear it down and re-erect the same, section by section, that the total expense could be deducted. But in the same year the South African Courts held[6] that, where an elevator was condemned and a new one installed, the cost was non-deductible, and where a taxpayer purchased a new house and found it necessary to reconstruct the bathrooms he was allowed[7] to deduct 50% of the cost, but this decision appears to be out of line with other cases. Painting and decorating are treated as repairs and the cost is deductible.

A Later Ruling

All these cases may now be out of date, because in 1933 the Privy Council held[8] that, where a railway replaced rails, sleepers and fasteners at a cost of £41,223, the whole expense might be deducted upon the ground that when the work was finished the track was in approximately the same condition as when it was originally laid down. If this ruling could be applied to the ordinary rented house almost everything should be allowed.

If you purchase a house which is in a dilapidated condition the cost of putting it in shape is not deductible,[9] because the house became out of repair when earning profits for the previous owner and not when earnings profits for the purchaser.

If you are hard up or for any reason cannot make the repairs at the proper time, you may deduct the cost from the rentals in the year in which the expense was incurred.[10] But you might be unwise to do this because the question is one mainly of degree. It is quite possible that if the roof begins to leak and you replace the shingles one section at a time, the Court would hold that the work you had done could be legitimately classed as repairs, but if you replace the whole roof a different view might be taken.

SUPERINTENDENCE. If you place your property in the hands of a real estate agent you are permitted to deduct his charges from the rentals.

TAXES. If municipal taxes are adjusted at the date of purchase you can only deduct the proportion of taxes payable during the period you own the property.[11] Local improvements are considered in the same position as taxes, but if you commute local improvements this will be considered a capital expenditure and non-deductible.[12]

Now that taxes take such a large part of everyone's income real estate is becoming more attractive, because in most cases a building which is kept in first-class repair will last indefinitely. In any large city there are buildings which are over 30 years old but which still have a good class of tenants and probably obtain just as high rents as more modern structures. But the owners of these buildings have been permitted to deduct from their earnings a minimum allowance for depreciation of 2½% of cost each year since the buildings were completed. This means that they either have replaced the bulk of their capital or have received an annual sum of at least 2½% free of tax, which is in itself a substantial dividend.

It is probable the same condition would apply to most small stores, moderate priced houses and other similar types of real estate. On the other hand, investments in real property whose earning capacity depends upon modern construction are not likely to turn out as well, because the loss through obsolescence may outweigh any advantage which the owner may obtain by the deduction of depreciation.

(1) Pearn v. Miller (1927) 11 T.C. 610; (2) Pickford v. Quirke (1927) 13 T.C. 251; (3) McLeod v. Minister (1926) S.C.R. 457; (4) Income Tax Case 129, 4 S.A.T.C. 129; (5) Income Tax Case 122 (1928) 4 S.A.T.C. 115; (6) Income Tax Case No. 133 (1928) 4 S.A.T.C. 198; (7) Income Tax Case No. 361, 9 S.A.T.C. 189; (8) Rhodesia Railways Ltd. v. Collector of Income Tax, Bechuanaland (1933) A.C. 368; (9) Law Shipping v. Commissioner of Inland Revenue (1924) S.C. 74; (10) Income Tax Case No. 238, 6 S.A.T.C. 353; (11) Income Tax Case No. 73, 3 S.A.T.C. 74; (12) Income Tax Case 228, 6 S.A.T.C. 239.

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Key Tax Dates For Canadians In Coming Year

Tax dates are more important to all Canadians now than ever before. The average Canadian also has more dates to remember than he used to have with quarterly payments, deduction at the source and other factors. The Financial Post is reprinting here a list of key tax dates for the coming year which appeared in the Dec. 11 issue. A typographical error made the previous list dealing with June 30 and Sept. 30, 1944, appear as applying to 1943 taxes instead of 1944 as it should be.

Dec. 31, 1943—Any 1942 tax balance due. Final 30% of estimated 1943 taxes due for those paying quarterly. Farmers pay 2/3 of 1943 tax.

Feb. 29, 1944—All employers make return showing wages or salaries paid and taxes deducted and furnish employees with statement.

March 31, 1944—First 20% of 1944 taxes paid on quarterly basis is due.

April 30, 1944—All taxpayers file 1943 tax returns. Salaried taxpayers and wage earners pay 1943 balance due. Farmers pay final third 1943 tax.

June 30 and Sept 30, 1944—Second and third 1944 tax installments of 25% each due.

Dec. 31, 1944—Final 30% installment for quarterly paid taxes due. Farmers pay 2/3 of 1944 tax.

Company Reports

National Sewer Pipe

Years ended Oct. 30:	1943	1942
Earned per Share:		
Class "A" pref. ...	d$0.21	$0.22
Paid	nil	nil
Common	d1.36	d1.14
Working capital	$1,045,862	$1,016,716

d—Deficit.
(Prev. year's figs. bracketed below).

A substantial increase in operating loss is shown by the accounts of National Sewer Pipe Co. for the year ended Oct. 30, 1943, with the result that, in spite of an increase of income from investments, there was a net loss shown for the year of $5,834 ($6,152 profit). This figure is before $3,799 profit on sales of investments.

Ryland H. New, president, reports that the large operating loss of $28,405 ($7,057) was due to the difficulties under which the company is operating, volume of sales having again shown a decrease. There is, he says, no present indication of improvement in this respect. Interest and other revenue increased to $22,570 ($17,209). The president also requested that more shareholders appear at annual meetings

Brantford Cordage

Years ended Aug. 31:	1943	1942
Earned per Share:*		
1st preferred	$4.73	$5.75
Paid	1.30	1.30
2nd preferred	4.79	6.60
Paid	nil	nil
Common	0.91	1.46
Working capital	$2,267,312	$2,184,133
*Not incl. ref. E.P.T.	1,689	4,211

Net profits of Brantford Cordage for the year ended Aug. 31, 1943, showed a decline to $158,810 ($204,868), which is the maximum amount allowable under regulations with respect to subsidies on the manufacture of binder twine received by the company, according to W. M. Messecar, president. This subsidy arrangement has resulted in a lower net profit than has been shown by the company for several years.

During the year working capital showed an increase, and preferred shares were redeemed in the amount of $51,500 par value, or 2,060 shares. No dividends were paid on the second preferred stock, which was in arrears $24.83 a share as of Aug. 31, 1943.

Marcus Loew's

Years Ended Aug. 25	1943	1942
Earn. per Share (com.)*	$6.68	$7.15
Paid	nil	nil
Working capital	$622,686	$529,379
*Not incl. ref. E.P.T.	5,727	273

(Previous year's figs. bracketed below)

Decreased net profits were shown for the year ended Aug. 25, 1943 by Marcus Loew's Theatres, Ltd., these standing at $95,875 ($99,413), exclusive of refundable excess profits tax. This change was accompanied by a rise in net operating profits to $263,099 ($240,192).

Working capital showed an increase to $622,686 ($529,379). It is announced that the annual general meeting of the shareholders will be held at Loew's Theatre on Dec. 23, 1943. Arrears on the company's preferred stock have now been paid off and dividends this year amounted only to the regular 7%.

CIL Dividends $5.25 Against $5.75 in '42

Canadian Industries Ltd. has declared a final dividend of $1.50 a share on its common stock, payable Dec. 27 to shareholders of record Dec. 16, making a total of $5.25 for the year compared with $5.75 paid in 1942. The lower dividend payments for 1943 reflect a continuation in the downward trend in the profits of the company despite a gain in dollar sales value.

Windsor Separate School Debt to be Exchanged Soon

From Our Own Correspondent

WINDSOR.—An exchange agent will be appointed soon by the Windsor Separate School Board to handle the exchange of 2,684 individual debentures under the refunding plan approved by the Ontario Municipal Board. The plan provides for the repayment of $2 millions at a reduced rate of interest over a 40-year period.

The trustees will issue $2.1 millions in new debentures of which $88,146.59 will be retained and cancelled, being the equivalent of the board's bonds purchased on the open market since the beginning of the year.

Bonded indebtedness represents debentures issued by the separate school boards of Windsor, Sandwich and East Windsor, prior to amalgamation, and a loan from the Provincial Bank of Canada of $35,284. Arrears of interest totalling $1.1 millions to the end of 1942 will be wiped out.

Interest rate on the new bonds is 2¼%, while the old rate, prior to default, varied from 5½% to 7%. The three separate school boards defaulted in 1932 and 1933. In 1945 and every year thereafter for the life of the plan, the trustees must raise $77,100 for debt purposes, and to enable them to do so, one mill will be added to the separate school rate. At present the Windsor separate school rate is 16 mills while the public school rate is 12½ mills.

JOINS MONTREAL CURB

J. N. Bales has been elected a member of the Montreal Curb Market. Since 1919, Mr. Bales has been associated with the brokerage firm of Kingstone & Mackenzie.

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KEEP YOUR BUSINESS ON BRITISH COLUMBIA

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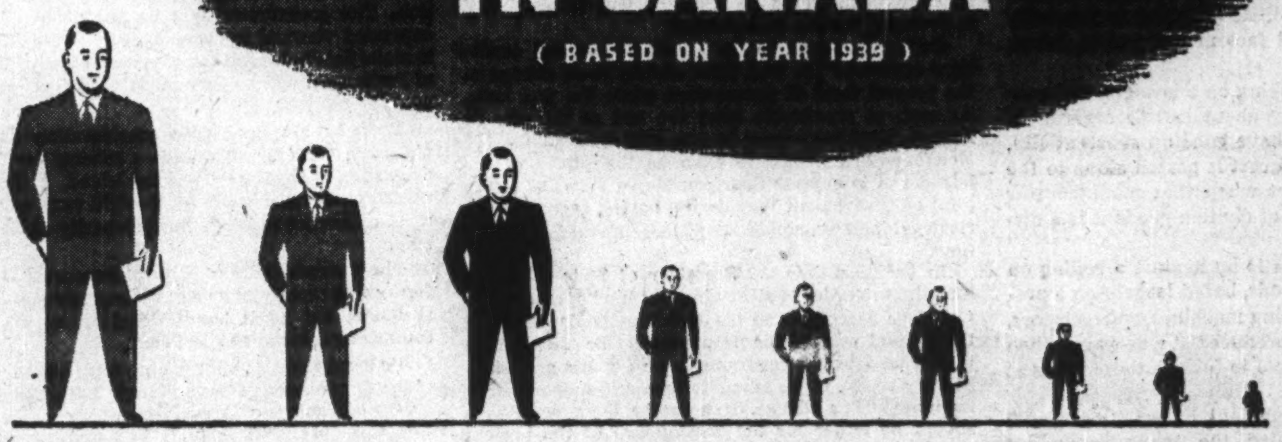
(BASED ON YEAR 1939)



THE rise of manufacturing in Canada is reflected by the fact that, before the war, we had become the world's fifth trading nation.

In this rise, all provinces played their part, but three were outstanding: Ontario, Quebec and BRITISH COLUMBIA.

To what extent the people of B.C. have changed from producers to manufacturers of their raw materials is shown by the row of symbols above. At $303 per person, they were close on the heels of the people of Quebec, and were easily third among Canadian provinces.

This pre-war trend will be accentuated in Canada's post-war economy. With such vitally needed raw materials as lumber, pulpwood, minerals, fish and fruits; with an increased population of skilled war-trained labor, and with superabundant water-power, British Columbia will play an increasingly important part in the future of Canadian manufacturing.

ADVERTISE IN BRITISH COLUMBIA . . . NOW!

Advertisers will find British Columbia one of their most responsive markets today, as well as tomorrow. For their information, The Vancouver Daily Province, with 104,000 circulation daily, covers 47% of British Columbia and 73% of the Greater Vancouver market. No other Canadian newspaper covers its home province so intensively.

VANCOUVER DAILY PROVINCE

"The Major Medium in a Major Market!"

The Editorial Page . .

Is Pensions Department Ready?

For every dollar Canada spent on prosecution of the First Great War, over 60 cents has since been spent on pensions and hospitalization for the disabled soldiers of that conflict and their dependents. Military pensions alone have totalled almost $875 millions since 1918, and before the last account is settled the bill will certainly be as great as the direct cost of the four years of war.

This time, because, as Munitions Minister Howe pointed out in his Toronto Canadian Club speech this week, we have been more prodigal of machines than men, the relative cost of pensions and hospitalization may be less but the total will be staggering none the less. There will be immense expenditures for hospitals, for vocational and other training, in addition to a new crop of straight pensions to the disabled and military dependents. From a comparatively minor department, that administering pensions may become the biggest spender at Ottawa. Now, before final plans are put into actual operation, before the major expenditures get started, is the time to make sure that that department is ready for the job, that it is in charge of a minister with a record of successful, efficient administration—that full value is received for every dollar spent.

The Catholic Church and the CCF

There has been much triumphant trumpeting in revolutionary CCF quarters over a declaration of some Roman Catholic bishops in Quebec. That declaration was interpreted as a blessing of the Catholic Church hierarchy on CCF aims and aspirations.

Whatever the proper interpretation was or should have been, the following quotation from a recent address by His Holiness Pope Pius XII and brought to our attention by one of our French-Canadian subscribers, is very pointed expression of the official Roman Catholic Church view toward preachers of social and economic revolution like the CCF.

Said Pope Pius:

"It is a question then, not of destroying, but of building up and unifying; not of abolishing private property, the foundation of family stability, but of making it available to an ever-increasing number of men as a fruit of the conscientious labor of all working men and women...It is not a question of destroying private capital but of watching it and directing it wisely as a means of developing the very material truth of all people. It is not a question of restraining nor of favoring exclusively the growth of industry, but of working for the simultaneous and harmonious development of craftsmanship, agriculture, and industry...It is a question, not of leaving the life of the individual to the mercy of the state, but of yielding to what the state—whose duty it is to develop the common good—strengthens and supports by social institutions such as trust and insurance companies, professional associations and above all, the mothers and fathers who, by their work, earn their daily bread and that of their family.

"The false prophets call good bad. They pretend to be friends of the people, but do not admit, between capital and labor, between the employer and employee, the mutual agreement which maintains and develops the social accord toward progress for everybody."

Certainly in that clear-cut statement from the head of the Catholic Church there is nothing that can be construed as supporting the teachings of the CCF and much that warns directly against them.

Conversion is Not Simple

In discussion about problems of immediate industrial conversion too little attention is generally paid to non-mechanical factors like prices, labor, etc.

A manufacturer working on a straight war contract has little to worry about in this regard. If wages go up, and they have gone up substantially, practically all this extra cost is passed along to the government buyer. But when that manufacturer turns to the production of civilian goods it is a different story.

Here immediately he is up against a ceiling on prices of the finished goods, based largely on a prewar wage rate. If washing machines, refrigerators, or bobby pins are to be produced at war wages, then it is going to be impossible to furnish these goods at the present ceilings.

Furthermore, the payment of wartime wages alone will not guarantee the manufacturer of civilian goods a certain supply of labor and raw materials. Once the manufacturer swings away from wartime production, he loses his top priority. He might just get started making his washing machines or his bobby pins only to have his labor and supply of necessary raw materials taken away from him.

As we enter the period where war stock piles are deemed sufficient and more manufacturing capacity is available for civilian requirements, solution of the dual problem becomes imperative.

The alternative is to have no conversion at all until the last bullet has been manufactured and fired, in the meantime putting up with the crazy paradox of unemployment at a time when a shortage of civilian goods is acute.

Socialism Cannot Stop

In their public preaching, socialists have been careful to avoid any reference toward taking over small private enterprises. But, as S. H. Logan, president of the Canadian Bank of Commerce, bluntly pointed out to shareholders this week:

"Socialism cannot stop short of absolute control of every individual business unit, small and large. The inevitable end of such a system is a form of dictatorship and domination of the national economy, with capital, production and labor committed to whatever ventures, whether economic or political, a few leaders may decide."

Just what this would mean in the economy of Canada was explained by Mr. Logan when he stated that there were over a million and a quarter proprietors of business in this country, apart altogether from shareholders or owners of corporations. But the socialists hoping to stir up mob appeal have concentrated their attack on so-called "big business" only.

In this they follow the regular formula of revolution we witnessed in Europe between the first Great War and the present one. Secret of those sinister successes was a program of limited objectives, exploiting each one in turn until final and absolute control of the whole state was achieved.

Air Raid's Biggest Dividends

One of the most potent results of the air war against Germany is the damage to capacity. The general public with its flair for the dramatic has shown most interest in pictures and eye-witness accounts of towering flames and shattered buildings. This destruction is important, but as the Whaley Eaton service of Washington points out, it is the "invisible dividends" of these raids that are the most profitable. Because of destruction from the sky, Nazi war factories are put out of commission for months, and thousands of tanks, aircraft, cannon and other armaments that might have been produced and used against us and our Allies, have never come off assembly lines. Moreover many plants, miles from the actual scene of the raids, are unable to operate for the simple reason that they depend on a flow of vital parts or other supplies from the factories that are hit.

In thus smashing German offensives before they could begin the air forces of Great Britain, Canada and the United States, have given invaluable assistance to the Russian drives on the eastern front. Credit for this vital help, however, has not been as generally recognized either in this country or elsewhere as it deserves. We may not be able to win the war by air power alone but certainly these pulverizing raids are shortening it.

Fighting For Freedom at Home

Very significant fact about the Hamilton civic election was the 50% vote that came out, compared with around 25% for the national civic election average. Sam Lawrence, new CCF mayor, was an energetic member of that city's government for 19 years. "Voters evidently felt that he had earned promotion to the Mayor's post. His standing as a well known labor man must have also brought him many votes from electors who were not adherents to the CCF party," said the Hamilton Spectator.

The CCF bid for power at Hamilton was perhaps the strongest performance so far in any major Canadian city. Yet its candidates for Board of Control were all beaten and it elected only two aldermen.

For a heavily industrialized city like Hamilton this is a poor performance.

The CCF aim to get civic affairs on a party basis is apparently getting the turn down it deserves.

Perhaps the 50% Hamilton vote indicates an awakening recognition that usually people get the kind of government they deserve. The 25% national average vote in civic elections is a national scandal; and not much more can be said for most provincial and federal votes.

We are putting forth a creditable, concerted and continuous effort to beat the enemies of democracy abroad and to win freedom for other people. But it is a sad commentary on the foresight of the Canadian people that such large numbers of them won't take the bother to devote a minute very occasionally to preserving democracy at home.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

The Future Status of Newfoundland

In the British House of Commons recently P. V. Emrys-Evans, Parliamentary Under-secretary for Dominion Affairs and the Colonies made the following important statement as to British postwar policy in connection with the future status of Newfoundland:

After reviewing the position, the government have decided that their policy should be based on the following main points:

The arrangements made in 1933 included a pledge that as soon as the Island's difficulties had been overcome, and the country was again self-supporting, responsible government on request from the people of Newfoundland would be restored. Our whole policy is governed by this undertaking.

Owing, however, to the existing abnormal conditions caused by the war, there should be no change in the present form of government while the war lasts. As soon as practicable after the end of the war in Europe, machinery must be provided for enabling the Newfoundland people to examine the future of the Island and to express their considered views as to the form of government they desire, having regard to the financial and economic conditions prevailing at the time.

In the meantime the Secretary of State will take soundings in order to ascertain what kind of machinery would be acceptable to the Newfoundland people. If the general wish of the people should be for a return to full responsible government we for our part shall be very ready, if the Island is then self-supporting, to facilitate such a change. If, however, the general wish should be either for the continuance of the present form of government or for some change of system, which would fall short of full responsible government, we shall be prepared to examine such proposals sympathetically and consider within what limits the continued acceptance of responsibility by the United Kingdom could be recommended to Parliament.

In the meantime a vigorous attempt should be made to push on with the development of local government, as well as with general reconstruction plans. Every effort should be made to encourage the development of local government institutions which would afford a base for an effective central government. Possible methods might include, for example, the setting up of some national convention but this is for further consideration in the light of views expressed in Newfoundland. I would like to add that there is no desire on the part of the government to impose any particular solution. The government will be guided by the freely expressed views of the people. It is for Newfoundland to make the choice and the government, with the assent of Parliament will be very ready to give effect to their wishes.

There has also been under consideration—in fact the plans are very far advanced—a scheme for the reorganization of the fisheries of the Island. If it is as successful as we hope it will be, it might very well make a great difference to the future prosperity of Newfoundland.

The Commissioner of Natural Resources is pushing forward as rapidly as he can various schemes of reconstruction, but he is handicapped as we are in this country by a lack of expert staff.

I cannot close without paying a tribute to the work of the Commission of Government. Their task has been a very difficult one. A government without a Legislative Assembly is an anomaly in a British community, but the Commission of Government unsustained by the advice and support of Parliament has successfully brought the Island through the difficult years since the suspension of the constitution.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Political Broadcasts

Winnipeg Tribune

Once again the Canadian Broadcasting Corporation, by refusing time on its network to a national leader of a political party, has placed itself in an indefensible position.

From a practical standpoint it may well be asked what justification exists for the exercise of censorship (by that or any other name) by the CBC. Its network exists for the transmission of communications of various types throughout Canada. If the rules it is attempting to establish were generally applied, it would be impossible to transmit the text of a political address over the government-owned telegraph system. Any political party can buy time for the radiodiffusion of political speeches over any single broadcasting station in Canada either publicly or privately owned.

Essentially the CBC is a public utility, and any attempt to impose inequitable or arbitrary restrictions on its use is simply intolerable.

The fact that the CBC organization is in a confused and uncertain state is doubtless in part responsible for its extraordinary toadyism and timidity. For this situation the Government is entirely to blame. It has neglected to reconstitute the CBC's weak and discredited Board of Governors. Under such circumstances it is remarkable that the whole show has not fallen apart.

The Mail-box . . .

Postwar Export

What, if anything, are we doing about our export business?

It is hardly possible that there can be any adult person who would disagree that Europe is going to need desperately every conceivable type of merchandise once this war is over—clothing, foodstuffs, furniture, building materials, farm equipment, etc. What are we doing to prepare ourselves for securing our share of this huge potential market? Apparently we are doing little.

I have, during the past few months, asked of a number of different kind of industries these two questions:

In your opinion how many Canadian manufacturing or distributing organizations have set up an export department?

Do you know of any Canadian manufacturing or distributing organization that have set up an export department?

Inevitably the answer to the first question has been "very few." To the second, "not more than one."

I am confident that within a very short time after the war, steamship and plane reservations will be at a premium—the crowds being largely the representatives of business houses of other countries, who have always been students of export markets.

One cannot "go into" the export business over night. It is as much a profession, and requires almost as much study, as any university degree; requiring a sound knowledge of tariffs, customs, racial psychology, freight rates, marine insurance, etc.

It is imperative in the building up, or maintenance, of an export department that a great deal of study be given to the matter of export advertising.

The advertising that may have been successful in this country may not, and quite probably will not, find the same response in other countries.

It is only necessary to examine the advertising in English papers and magazines to see the marked difference in approach. Their copy is, in the main, very much more conservative than ours. There is even a great deal of preference for certain colors in one foreign country as against another.

These points are merely indication, or proof if you will, of the very serious thought that should be given to the export business as a whole, if a successful job is to be done.

RANDALL BENEDICT.

Toronto.

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Newfoundland and Adelphi

I have always enjoyed the articles by "Adelphi" and considered them very sound, but I must take issue with him over his article on Newfoundland.

Newfoundland, when it became bankrupt, asked Britain to take over its liabilities as the Government of Newfoundland was unable to deal with the impasse it had reached. Britain did as they asked and advanced the necessary money. A commission was appointed to run the country which consisted of three Newfoundlanders and four Englishmen. That commission has got Newfoundland "out of the red" and into a position of being able to lend money interest free to Britain. Surely a very creditable accomplishment.

"Adelphi" is most misleading when he says: "However one looks at it, the incident can hardly be regarded as a bright chapter in the Empire's story."

I hope that The Financial Post will put the true picture before its readers, especially as great pressure is being brought to bear on Newfoundland at present to secede from the Empire.

Owen Sassoon.

Montreal.

. . .

As Others See Us . .

Good Sensible Material

Lethbridge Herald

A Financial Post questionnaire on the future of diversified farming in western Canada, brought strong expressions favorable to irrigation from leaders in the livestock industry who know and appreciate its contribution to stock feeding as well as the betterment of agriculture generally. Mac Higdon, president of the Western Stockgrowers' Association, says that irrigation is a vital necessity and he urges that the Dominion Government should be fully prepared to set new projects going immediately the war ends. Chris Jensen, president of the Canadian Co-operative Wool Growers, who has lived in an Alberta irrigated area for many years, pronounces a verdict that everyone who knows what irrigation has already done in southern Alberta will completely endorse.

That is good sensible material to get before the business-minded readers of The Financial Post. Far too many know little or nothing about irrigation, and pronouncements from men like Mr. Higdon and Mr. Jensen should bring them to realize that it is a mighty important factor in the diversification of agriculture and the reclaiming of areas that otherwise might go to waste.

. . .

Lower Taxes

New Glasgow News

The Financial Post carries an article by its Ottawa correspondent that lower income taxes may come next year, made possible by lowered costs of war.

That will be welcome news to all but those whose income will be down as a result of the lowered government spending. Lowering of the tax rates will do a lot toward increasing the incentive of the individual to work harder—and should be reflected in lesser absentee figures.

. . .

Did You See . . . . .

Two maiden ladies were discussing men.

"Which," asked one, "would you desire most in a husband—brains, wealth, or appearance?"

The second hesitated not a moment. "Appearance," she replied decisively, "and the sooner, the better."

Cartoon by Grussick.

"WE CAN'T EXPECT HIM TO GET VERY FAR CARRYING THAT LOAD."

Post-Scripts . . . .

Trouble Shooter

With the return to private life of Henry Borden and the naming of J. Gerald Godsoe as Co-ordinator of Controls a short time ago, the work and responsibilities of Associate Co-ordinator J. Gordon Fogo, have greatly increased.

MR. FOGO

When Henry Borden was named Co-ordinator of Controls a little more than a year ago he cast about for two first-rate associates who could share with him his new responsibility. He lined up two young lawyers, both of whom had their roots in the same legal firm in Halifax — Messrs. Godsoe and Fogo.

To Godsoe, Henry Borden turned over (among other things) the job of liaison between the DMS controllers and the WPTB. To Fogo he handed the job of liaison between DMS controllers and labor and production departments.

It was Gordon Fogo who induced Henry Borden to quit his job in the Royal Bank many years ago and take up the practice of law in Halifax. They went through Dalhousie Law School together; have been fast friends ever since. Fogo was a Gold Medallist when he graduated in 1924; Borden got his reward by marrying the Law Dean's daughter.

Had it not been for the Great War, Fogo might have been a teacher, not a lawyer. His father was a locomotive engineer who lived in Sydney, N.S. At 16, young Fogo did as most boys around Sydney, and went to work in the steel plant. He stayed there a year until his family persuaded him to quit work and go back to school. That led eventually to Normal School and a teaching job at Stellarton in 1915.

Came the Great War and a chance to join a battery being formed by William MacDonald, now one of Canada's recently named parliamentary under-secretaries. He was planning to switch to the RAF when the Armistice came along. Coming back he was appointed principal of a high school in Sydney, but left to take up law at Dalhousie. He first practiced law in Amherst, N.S., then gravitated to Halifax to the firm which included such eminent personages as Col. Ralston and Hon. Charles Burchell, now Canada's High Commissioner to Newfoundland. He is now a senior member of the firm and a follower in Mr. Burchell's expert footsteps in the practice of Admiralty Law.

His biggest job since coming to Ottawa has been to try and get business firms and war contractors to unload their troubles on their local NSS officials rather than run to the capital every time they get in a jam. He early realized that little would be done to solve Canada's manpower difficulties if everything had to go to Ottawa for settlement. He has also tried to encourage war industries to stand on their own feet as much as possible.

Most of his work has been behind the scenes, trouble-shooting, and it is not likely that with conversion headaches looming ahead he will be anxious to make himself any more a public figure than has been the case in the past year. He figures that the less prominence he gets the better for everyone.

But that shouldn't rob him of credit for a very important war job—a job which changes almost every day but doesn't seem to get much lighter.

. . .

Ardent Fisherman

Bald, clean-shaven and above medium height, Thomas Howard Atkinson, newly-appointed assistant general manager of the Royal Bank of Canada, is originally a Maritimer, claiming Newcastle, N.B., as his native town.

MR. ATKINSON

Stepping up from the position of supervisor of Quebec, New Brunswick and eastern Ontario branches of the bank, Atkinson is well known in banking circles throughout eastern Canada where he is popularly known as "Ted." He is particularly well known in general banking circles in Montreal.

Always fond of outdoor sports, in his younger days he played hockey on the Royal Bank team at Halifax. In his more mature years he has laid aside his hockey stick and taken up instead golf clubs and fishing rod, with both of which he is said to do pretty well. He is one of the most ardent fishermen at the head office of the Royal Bank and as a golfer, shoots consistently in the 80's.

He is also a skier but his friends class him as an enthusiastic amateur rather than of professional calibre.

Atkinson joined the staff of the Royal, in 1911. But the outbreak of war in 1914 saw him enlisting for overseas service and for the next five years he was in the Army. In 1916 he won his commission; in 1917 the Military Cross at Passchendaele and in 1918 was promoted to captain. On demobilization he resumed his banking career at Newcastle, N.B., and shortly after was transferred to Halifax where he served both in the branch and in the supervisor's office.

Five years later he was moved to head office in Montreal and in 1929 organized the bank's bond department. His appointment as supervisor of Quebec, New Brunswick and eastern Ontario branches came in 1938. Three years ago the call of the army made itself felt again and he resumed his military activities taking command of the Fifth Field Battery, Royal Canadian Artillery, Reserve Army. Until recently he was second in command of the 34th Field Regiment.

. . .

Pioneered Fruit Industry

The man who was largely responsible for the development of the fruit-growing industry in the Niagara Peninsula, for the introduction of developed orchard nursery stock, and for processing surplus fruits into jams and jellies, celebrated his 90th birthday last week.

SEN. SMITH

Still enjoying good health and a keen interest in business and public affairs, he is Senator E. D. Smith, chairman, E. D. Smith & Sons Ltd. His home is in Winona, a few miles east of Hamilton and a short distance below the Saltfleet Township homestead, where he was born. Senator Smith pioneered a vast fruit growing and processing organization which today extends across the Dominion.

Young E. D. Smith left his father's grain farm to try his hand at growing fruit. He prospered, and soon others were attracted and came to Smith for nursery stock. Soon there arose a demand for fruit trees to stock the whole rich, level farm land which stretches 45 miles from Hamilton to the Niagara River. Smith established a commercial nursery.

Next, when fruit supplies exceeded wholesale demands, the energetic young grower-nurseryman arranged a new outlet through direct grower to retailer sales. This was the temporary solution to the increased crops, but as the surplus of fruits still increased, he began the manufacture of jams and jellies, an undertaking never previously attempted commercially. Orders came from far and wide and soon other commercial interests were attracted which led to the expansion of the canning industry in this country.

E. D. Smith's interests led to public affairs and in 1900 he was elected to the House of Commons, representing Wentworth County, and served two sessions. Subsequently, he was appointed a senator, and is today the second oldest senator in Canada in age and years of service. Although he has not taken an active part in the management of his business in some years, Senator Smith still attends meetings of the Upper House.

Senator Smith, like so many rural citizens in the Niagara Peninsula, comes from United Empire Loyalist stock.

A son, Brigadier Armand Smith, former officer commanding the first Canadian Infantry Brigade, and a veteran of the Great War, is president and general manager of the family company. Another son, Leon, resides at home and his daughter, is Mrs. Gordon Conant, Toronto.

. . .

New Books

How to Speak in Public

HOW TO SPEAK IN PUBLIC, by C. W. Wright. Published by Ambassador Books, Toronto. Price $2.50.

The author is a "professional" speechmaker and teacher of speakers. An ex-radio performer, now radio executive, lecturer for Canada at the Chicago World's Fair and coach for hundreds of speakers in clubs, business firms and Victory Loan drives. Mr. Wright is an enthusiastic and confident exponent of his specialty.

The book provides a chapter detailing appropriate information for almost every situation likely to confront a standing man who is expected to make articulate sounds.

. . .

Sayings of the Week

"The object of the munitions industry is to end the need for munitions."—*Hon. C. D. Howe speaking at Montreal.*

. . .

"Now that we have reached the stage where half our total production is used to fight Germany and Japan, no section of the community can expect, while the war lasts, to continue to improve its standard of living." — *Prime Minister Mackenzie King.*

. . .

"We must develop new things to produce. We must produce existing things at lower prices. If we do not, there are certain to be fewer instead of more jobs available as the years go by. This must not happen."—*Alfred P. Sloan, Chairman, General Motors Corp.*

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Urges Business State Views

WPTB Official Says No Need to Fear Controls

For some years to come business is likely to have a greater participation in government than ever before and government a greater influence in business. Business men generally should, therefore, think through the overwhelming perplexities and offer constructive proposals to the provincial and federal authorities on the basis of their specialized experience.

R. F. Chisholm, Co-ordinator of Distributive Trades, WPTB, speaking before the Dominion Commercial Travellers' Association meeting in Montreal, urged that effective participation in national affairs now should be directed toward:

1. Suggesting a specific program of distribution of surplus government goods now about to be disposed of by the recently formed government committee and crown company.

2. Recommendations for production and distribution of certain metals now being released by DMS in limited quantities for civilian manufacture.

3. Best methods in regard to timing and progression of control easing.

Need for Unanimity

Admitting it might be difficult for various groups to arrive at unanimous agreement, the speaker pointed out that "if we as business men are unable to reach a unanimous recommendation, we will have little right at a later date to object if things are not done in a way we choose."

If some feel that in submitting to a majority decision on the foregoing they would thereby lose some of their individual identity and prerogatives, such an obstacle, the speaker said, would have grave implications in attaining lasting world peace. It was to be hoped business men would review and assess business practices in terms of what is sound from the point of view of Canada, not just what is advantageous to travellers, for instance.

Answering fears that the distribution phase of the WPTB may have its effect on small business operators, Mr. Chisholm claimed that the record denied these apprehensions. He quoted the following figures to show how retail trade failures stacked up in the light of the recurring contention that the small retailer is being forced out of business through the operation of various wartime controls:

Retail Failures

1938	667
1939	664
1940	591
1941	483
1942	342
1943 (6 mos.)	71

Retail failures—not closures—in 1942 were about two thirds of 1941 and less than in any year since before the last war.

In reassuring business, both large and small, that government agencies were a means of protection during the stresses of an abnormal wartime period, and not a bogey, R. F. Chisholm, Co-ordinator of Distributive Trades, WPTB, told the Dominion Commercial Travellers' Association in Montreal, that business should face the coming postwar tasks and be prepared to offer constructive proposals to the provincial and federal governments. Otherwise businessmen can blame only themselves if things don't go right.

Mr. Chisholm pointed out that in 1930, according to the first census of distribution, the independent stores of the country were still doing 80.4% of total sales volume. For the first seven months of 1943 total retail sales were 4.7% ahead of last year. But different types of stores showed the following results:

Seven Months 1943 Sales Record

	% Change
Department stores	—0.7
Chain stores	—1.9
Independent stores	+6.7
Country general stores	+12.0

Many businessmen, large and small, are looking to the future with some misgiving, Mr. Chisholm admitted. They hear threats and predictions of political manoeuvring, that small business is going to be forced into ruin, that the wholesaler is again on his way out, that in the postwar era there is to be state control of all business, that free enterprise is doomed.

"The vast amount of state control necessary during the war, as typified by the operation of the WPTB and WICB raises the bogey of continued bureaucracy as an expression of idealistic political aspirations," said Mr. Chisholm.

Economic force, however, is more powerful than legislative force, he continued. "Any business that is economically sound need have little fear of arbitrary regulations. Being one of the bureaucrats of the moment . . . I can say with some emphasis that I have seen no evidence of threat of extinction to any distribution business which is set up on a basis that is foundamentally justifiable."

Claiming that any slight administrative preference on the part of such agencies as WPTB would likely favor the small man, Mr. Chisholm observed that in his judgment "the main threat to economic stabilization in this country comes from the pressure of individual interests who feel that they are not satisfied with the present economic relationships and think that a correction should be undertaken."

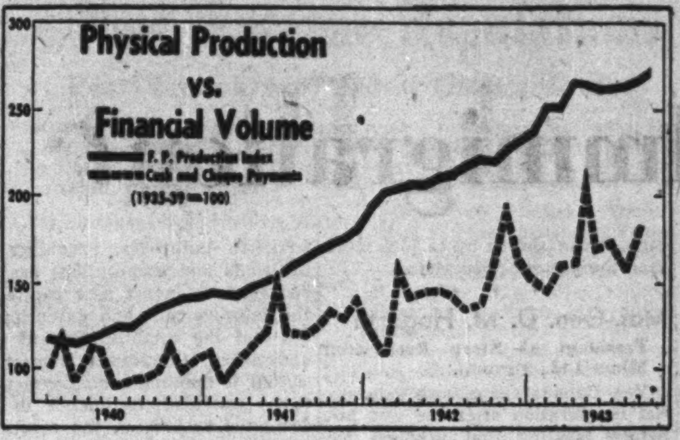
Recognizing, moreover, that the present system of distribution under free enterprise has been constantly under fire as being unduly costly, extravagantly wasteful, Mr. Chisholm said that such an indictment is simply an indictment of free enterprise under the democratic form of government.

"The temporary inefficiency of partially free competition is one of the inescapable costs of democracy and in my judgment the only safe route towards eventual efficiency . . . there is no proof as yet that fascism or any other form of complete state control is more efficient in the last analysis than is democracy and free enterprise."

The major cost of competitive distribution, he said, arose from the circumstances whereby manufacturers must cover ten or a hundred outlets in order to get distribution equivalent to the full-time effort of one outlet. But what alternative was to be offered, he queried.

While much competition has been eliminated temporarily during wartime in such products as canned goods, roofing, bicycles and sugar, etc., there is a limit to what can be done in this regard, he thought, without running the grave hazard of finding ourselves with a completely regimented economy which would be difficult to de-regiment after the war.

"A major elimination of the interwoven competitive economy would cause the kind of dislocation which would be impossible to reform later . . It would call for a concentration of industry which is now acknowledged to be impracticable on a large scale in the U.K., the U.S., and Canada," he said, concluding, "Most serious of all, it would destroy the kind of free enterprise—a much abused term—and initiative and freedom to create which is the sum and substance of our fighting aim."



In October this year, The Financial Post's Production Index reached an all-time high of 261.9, a gain of 142.7, or 111.3%, since the beginning of 1940. During this same period, the Dominion Bureau of Statistics' index of cash and cheque payments rose from 101.7 to 180.2, a gain of 78.5 points or 76.2%. In contrast to the United States where volume of financial transactions has outpaced gains in physical production, Canada has managed to keep financial volume gains under physical volume, probably a tribute to our price control measures and to the relatively smaller proportions of speculative transactions in this country.

The Week in Business

	Nov.	Oct.	Sept.	Aug.	Year Ago
Financial Post Producton Index	....	262.5	258.4	255.5	225.4
National Income, D.B.S. (c)	....	....	$745	$732	646
■Dom. war expend. (million $)	271.0	354.5	247.2	436.3	201.2
■Dom. total revenue (do)	215.1	248.9	215.9	208.7	182.1
■Dom. total expend. (do)	501.0	440.1	389.8	470.3	327.2
Dept. store sales index no.	....	155.3	156.8	148.4	152.9
■Retail sales index no.	....	157.1	158.5	162.1	152.2
■Wholesale sales index no.	....	175.0	184.8	171.6	171.4
Country store (% change pr. yr.)	....	+5.3	+5.7	+7.7	+16.7
Divd. payment index♦	124.6	123.9	124.0	124.2	123.1
Bank deposits (1935-39=100)	....	175.3	170.7	169.9	179.1
Cash and cheque pay. index	....	187.0	180.2	181.5	161.3
Bank debits (1935-39=100)	....	155.0	171.1	157.1	135.7
Money supply (c)	....	4,890	4,760	4,735	4,120
NEWSPAPER % OF CAPACITY—					
■Production ratio	69.2	70.1	70.7	70.1	70.6
Shipment ratio	70.4	70.7	68.7	70.4	71.7
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	134.7	148.4	188.6	127.9
Cars (D.B.S. index)	....	121.6	122.9	138.7	124.6
COST OF LIVING—					
D.B.S. index	119.4	119.3	119.4	119.2	118.6
EMPLOYMENT INDEX No. D.B.S.—					
■All Industries	....	187.6	186.2	185.9	181.3
■Manufacturing	....	231.3	229.9	227.7	218.3
■Payrolls June 1/41=100) (b)	....	150.7	148.7	147.7	137.8
■Payrolls (1937=100) (a)	....	221	217	215	223
RAILWAYS—	1943	1942	1943 Jan. 1 to date	1942 Jan. 1 to date	Change %
■Carloadings (week Dec. 4)	73,762	66,885	3,251,551	3,194,614	+1.7
■C.P.R. gross week Dec. 7)	$ 6,181,000	5,432,000	276,006,000	237,772,000	+16.1
C.N.R. gross rev. (Oct.)	$ 37,585,000	36,002,000	364,534,000	306,829,000	+18.8
C.N.R. net rev. (Oct.)	$ 9,239,000	8,903,000	81,357,000	71,664,000	+13.5
C.P.R. gross rev. (Oct.)	$ 26,344,166	22,799,232	242,363,471	209,925,848	+15.4
C.P.R. net rev. (Oct.)	$ 5,841,417	5,718,182	38,603,278	37,723,923	+2.3
IRON AND STEEL—(October)—					
Pig iron production (tons)	146,794	175,424	1,478,760	1,640,055	—9.8
Steel production (tons)	271,976	271,127	2,509,712	2,580,715	—2.7
CONSTRUCTION—					
Contracts awarded (Nov.)	$ 14,146,500	22,085,500	194,114,600	271,985,200	—28.7
Building permits (Oct.)	$ 6,605,794	8,432,851	66,980,812	89,654,219	—25.3
Cement prod., bbls. (Sept.)	877,339	1,092,781	5,765,665	7,031,092	—18.0
AGRICULTURE—					
Flour prod., bbls. (Oct.)	2,118,409	1,851,062	20,125,432	16,724,160	+20.3
■Cattle sales▲ (Nov.)	160,081	150,695	1,093,687	1,063,884	+2.8
■Hog sales▲ (Nov)	815,353	612,310	6,106,042	5,505,879	+10.9
SEA FISHERIES—†					
Catch, cwts. (July)	1,659,279	1,387,400	5,344,855	5,804,685	—7.9
Landed value (July)	6,570,634	5,097,200	21,387,627	15,550,040	+37.6
NEWSPRINT—					
■Production, tons (Nov.)	256,336	251,147	2,733,104	2,932,911	—6.7
■Exports, tons (Nov.)	243,969	238,268	2,592,084	2,779,371	—6.7
MINING AND OILS—					
■Coal prod., tons (Oct.)	1,547,234	1,574,871	14,731,904	15,478,943	—4.8
Gold rec. (fine oz.) (Oct.)	286,141	380,144	3,074,537	3,928,015	—21.7
Petroleum prod., brl. (Sep.)	811,864	826,866	7,521,969	7,806,046	—3.6
ELECTRICAL POWER OUTPUT—October)—					
Total monthly 1,000 kw.h.'s	3,458,568	3,174,419	33,357,403	30,757,950	+8.4
FOREIGN TRADE—♦					
Imports (Oct.)	162,920,856	140,192,890	1,439,893,992	1,380,468,301	+4.3
Exports (Oct.)	262,874,451	212,967,339	2,399,976,331	1,905,264,332	+25.9
OTHER INDUSTRIAL FACTORS—					
■Shoes, prod. pr. (Oct.)	2,885,816	2,992,325	28,651,666	27,664,545	+3.2
Cotton consump., lb. (Oct.)	13,550,334	16,891,029	152,315,584	165,262,094	—7.8
Cigarette cons. No.† (Oct.)	969,456	1,010,451	9,174,338	8,232,279	+11.4
FINANCE—					
Bank debits† (Oct.)	$ 4,654,207	4,073,391	43,032,811	36,365,083	+18.3
Bond sales† (Oct.)	$ 485,192	271,660	4,879,309	3,115,934	+56.6
Life insurance sales (Oct.)	$ 53,919,000	57,795,000	480,922,000	437,204,000	+10.0

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▲Total at yards and plants. ■New items for week.
♦Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted. ♦Gold excluded.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. ‡Estimated.

Truckers Fear Railways Would Curb Competition

Ontario ATA Considers Vigorous Public Relations Effort to Counter Postwar Representations — Looks for More Trucks in 1944

A "spare no expense" public relations campaign to defend the for-hire motor freight carriers' position in regard to regulations and taxation was chief recommendation of the retiring executive of the Automotive Transport Association of Ontario at the recent annual meeting in Toronto.

Expressing a conviction that railway interests, in representations and advertising for postwar regulation of public transportation, were in effect threatening restriction of highway carrier competition, the ATA directors urged placing the industry's position before the public.

Rate Deadlock Persists

The Association is continuing to press WPTB's Services Administration for a collective rate increase, said the executive report, reviewing financial burdens imposed by the price ceiling and problems arising from manpower, equipment and supply shortages and the unprecedented wartime load.

"What postwar planning can our industry hope to do unless adequate relief is afforded immediately? It is our contention that the federal authorities must act now to preserve our industry, which they recognize as essential, if we are to assume our proper responsibilities in the postwar period."

Services Administrator M. W. McCutcheon, however, in addressing the ATA annual dinner meeting, indicated in closing that the official view was unchanged and that only individual cases would continue to be dealt with. He said rate adjustments could not be authorized for one group without being extended generally to others shortly thereafter and that such a course spelled complete denial of the price ceiling policy.

Reviewing the industry's supply difficulties, Mr. McCutcheon urged the utmost effort in conservation of tires, gasoline and in manpower and equipment utilization, and said the immediate future offered little prospect of material easing of operating difficulties imposed by shortages.

More Trucks Coming?

This year only 3,600 trucks have been made available to all branches of the trucking industry, representing far from adequate replacements for the 300,000 trucks registered in Canada in 1942, the executive report said, announcing a survey was being made by ATA to determine minimum essential requirements of trucks, tractors and trailers for 1944. (A probable 40% boost in Canadian truck production for essential civilian use was reported in The Financial Post Dec. 4).

The ATA is also making a survey of its exact position as regards manpower and is planning for re-employment of armed services personnel when demobilized, the executive report announced.

Recommendation is being made for exemption of the industry from further calls, the report said. "Prior to the calling of married men for military service, carriers had lost 70% of their peacetime employees. The latest call may mean loss of another 12% leaving the industry with only 18% of its pre-war personnel."

G. C. Sharpe, Toronto, NSS regional employment officer, told the meeting that although the trucking industry was protected in last September's freeze order, too many men are being fired and are quitting for medical reasons on the claim working conditions are adversely affecting their health.

Referring to gasoline rationing since April 1 the ATA executive report said restoration of trade discounts and removal of price differentials still were under consideration.

With regard to tires the report said that in addition to urging full restoration of discounts and the previous warranty "we are of the opinion that there should be a reduction in the price of tires to offset the low mileage received; tire manufacturers' costs not having been reduced, we believe federal government subsidy would be a logical solution."

Officers elected for 1944 by the Automotive Transport Association of Ontario are as follows:

W. W. CRAWFORD, Hamilton, president;
G. M. PARKE, Toronto, first vice-president;
H. E. ADAMS, Chatham, second vice-president;
RODGER LESLIE, Toronto, secretary;
C. S. NOBLE, Toronto, treasurer;
J. O. GOODMAN, Toronto, general manager;
Directors: H. G. H. COPE, W. H. MALE and M. J. PAPE, Toronto; C. J. DOERR, Waterloo; L. G. TEAKLE, Woodstock; G. R. CHALK, Aylmer; C. A. THIBODEAU, Windsor; WALTER LITTLE, M.P., Kirkland Lake; J. PALANGIO, North Bay; N. J. EMBLEM, Montreal; H. H. LEATHER, Hamilton, representing contract carriers; FRANK McCALLUM, Oshawa, representing automobile carriers; J. LANCE RUMBLE, Toronto, representing allied trades; O. BROWN, Leamington, representing special associate members.

Cotton Operators Hold '39 Level

From Our Own Correspondent

MONTREAL.—Cotton mill operations in Canada during November recorded a seasonal upswing, 34,867 bales of cotton having been compared with 33,182 bales in the previous month.

The broad general trend of operations remains unchanged, November returns being under those for the like month of the last three years and only slightly above the 34,717 bales opened in Nov., 1939.

Canadian Rail Mileage Shrinks

From Our Own Correspondent

MONTREAL.—Canada recorded a net loss of 102.82 miles of railway in 1942, according to returns prepared by the Dominion Bureau of Statistics. The principal changes comprised abandonment of 33.4 miles by the Kootenay & Arrowhead Railway and the reclassification of 70.6 miles on the Canadian Pacific as non-operated mileage or as yard track and sidings. A summary of the net change follows:

	Miles
Track abandoned	94.30
Reclassification	6.90
Rechainage	3.74
Relocation	2.12
	102.82

Canadian Fan Makers Form Trade Association

Canadian Blower & Forge Co., Canadian Sirocco Co., Sheldons, Ltd., and B. F. Sturtevant Co. of Canada have organized the Canadian Fan Manufacturers' Association, Windsor, it is announced. These companies, through a joint engineering committee, have been promoting and developing the science of fan engineering for the past ten years; have distributed informatory literature and devised a "certified rating sticker."

At the first meeting of the new association, the following officers were elected:

W. W. WENDT, Canadian Blower & Forge Co., president.
S. E. NICHOLSON, Sheldons, Ltd., vice-president.
L. O. MONROE, secretary-treasurer.

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In Your Opinion

How Much Immigration?

THE QUESTION: Can Canada absorb substantial immigration after the war? If so, in what industries?

Alex Aitken

Commissioner Board of Trade, Regina, Sask.

Speaking of this area, I must reply with some "ifs." If markets can be extended at profitable prices, if further diversification can be done by irrigation and other means, if the promises of chemurgy are fulfilled, if the necessary enterprise can be found, substantial numbers can be absorbed in agricultural production, and the processing of agricultural products.

• • •

D. C. Betts

Executive vice-president, Canadian Breweries Ltd., Toronto.

Following intelligent re-establishment of military and war workers, I believe a complete survey of Canadian business and agricultural structure should be made and immigration quotas set up on the basis of vocational requirements.

Canada's natural resources and war production record stamp it as an important manufacturing nation which could assimilate many workers. I feel that immigrants should have some financial resources.

Canada possesses vast agricultural opportunities but indiscriminate homesteading on unproductive land should be avoided. National wage structure is now causing some apprehension. It should be fair to labor and to the employer and permit world-wide trade expansion. Too hasty formulation of immigration policy will produce only chaos.

• • •

Percy Black

Amherst, N.S. and member of parliament Cumberland, N.S.

We should have a policy to bring one million settlers to Canada after our service men are home and properly placed. Scotch, English and Scandinavians should be selected having pioneer spirit and enterprise with desire for ownership. They should be directed to the land or not fully developed natural resources rather than be dependent on industrial plants and the state for livelihood. Our transportation, public utilities, and manufacturing facilities can pretty well serve a new population but it should be distributed to settled areas. Preliminary planning, selecting and placing these new Canadians should now be under way.

• • •

Senator W. A. Buchanan

Lethbridge, Alberta.

Canada should be able to absorb substantial postwar immigration. A thorough survey of natural resources in relation to immigration is needed to chart a plan. A great increase in the agricultural population is possible if peace brings trade and higher nutrition standards now urged by the United Nations. Industrialization of Alberta's great coal deposits should be made the basis of the great chemical industry similar to developments in Britain, Germany, and other European countries during war. Other resources should be developed similarly. Canada must face the fact that resources which have made her fourth in world production during war cannot be held and properly developed with a population of less than 12 million.

• • •

W. Leigh Brintnell

President, Aircraft Repair Ltd., Edmonton, and well-known aviation authority.

I believe Canada can absorb five million people the first five years after the war. It is a well-known fact that agriculturally the West could support twice the present population. Northern Canada, particularly the area north of Edmonton, has now been advanced one hundred years ahead of the time by the building of a network of roads. Unprecedented developments of natural resources will take place in this area which will mean the creation of new wealth and new jobs for more people. Our future is ahead of us and we will need millions of new people for new jobs created, and also to absorb the output of our manufacturing industry.

• • •

Father J. E. Branch

Editor-in-chief, Model Publications, Gravelbourg, Sask.

Immigration is essential to Canada's postwar development. Immigrants should not receive preferential treatment better than the opportunity given to Canadians. The greatest number of immigrants should be from foreign farming centres and directed to Canadian untilled lands.

Skilled labor for large scale development of Canadian natural resources and peacetime commodity production should be welcomed by Canadian unions. There is room in Canada and enough riches to satisfy returning soldiers and civilians who backed them so well and to absorb a large quota of the surplus of the European population. But Canada should not become a free dumping ground of undesired foreign people.

• • •

Austin F. Cross

Author and political correspondent, Ottawa.

The experience of those who have assisted in bringing in immigrants the last few years is that the newcomers have been able to establish their own new industries. In many instances this means that they bring their old industries to Canada.

This is particularly true in the city of Toronto where I personally visited half a dozen men this December who before and after Munich had managed to come to Canada and start anew here. From what I could see, theirs was a brand new addition to the Canadian industrial scene.

In other instances they were able to bring new features to old industries. Take the Bata shoe industry, for instance, where all the skill and miracles of Zlin, Czechoslovakia have been transferred to the banks of the Trent River in Ontario. This is one model industry Canada is lucky to get and I have no doubt that after the war we can get dozens of good firms like this who have long been established in Europe and who will then be eager to come and locate in Canada.

• • •

T. A. Cumming

Editor, Journal, Ashcroft, B.C.

Canada will have her hands full after the war absorbing her own returned soldiers without worrying about a general immigration of strangers seeking new homes and occupations. It will take at least two years to get our own boys back to normal and civil life, then will be soon enough to investigate the possibilities of accommodating immigrants from other countries.

Without question Canada has space for a great many more millions of population to develop her natural resources, but we must first determine how those millions are to be placed in industrial and other occupations and above all a clear outlet must be found for the great increase that would result in manufactured goods.

• • •

John T. Hackett, K.C.

Prominent Montreal lawyer.

This is a war of machines. The production of guns, ships, planes, vehicles and other munitions has called into industrial activity great numbers of men and women. Canada's quota of skilled industrial workers exceeds all possible demand for peacetime goods no matter how extended our foreign markets are. Many industrial workers after war will have to find work on the land or in primary production. Consequently any immigration coming to Canada must be adapted to work in agriculture or other primary production or it will increase the burden of unemployment.

• • •

F. R. Harris

Editor, News, Vernon, B.C.

Canada can only absorb immigrants on a substantial scale after the war if our economy is an expanding one. If Canada's industrial and agricultural production, internal and external trade decreases to pre-war volume, we will not only not be able to absorb immigrants but will face grave internal disturbances.

Large numbers of prairie people, mostly foreign born Europeans or first generation Canadians in the Okanagan Valley today, are making substantial progress because for the first time they are receiving adequate renumeration for labor and agricultural products. If depression sets in after the war they rapidly will be thrown on the public purse and will become discontented and wildly radical. If the economic level in North Okanagan is reasonably high, it can absorb up to 75% more than the present population.

• • •

Maj.-Gen. D. M. Hogarth

President of Steep Rock Iron Mines Ltd., Toronto.

Yes, Canada can absorb substantial immigration after the war but before tackling that problem we should first insure that provision is made for the rehabilitation of our own citizens presently with His Majesty's fighting forces. This responsibility must be discharged in an unrestrained manner.

As a partial means of accomplishing this, I suggest the production from our own natural resources of the nation's requirements of coal, oil, iron and steel, thus relieving the country of its existing onerous financial burden incidental to the importation of these commodities and in the operation utilization of the ingenuity, brains and muscle of our people. Such a policy would mean the employment of scores of thousands of Canadians, more full use of our railways and waterpower resources and tend to develop a strengthened national spirit.

• • •

W. F. G. Hughes

Editor, Transcona and Eastern Manitoba News, Winnipeg.

There should be positively no immigration to Canada until total rehabilitation of all the armed forces has taken place. Present housing accommodation throughout Canada is deplorable and inadequate. Turnover of most industrial plants from wartime to peacetime most emphatically will cause unemployment for thousands of skilled workers and laborers for too long a period.

Then when Canada has successfully readjusted her economic structure, let us expand, but every immigrant should be medically fit and without police record. They should be intelligent, quickly adaptable to our way of living. Canada must not construct any more immigrant colonies. Unification of all races will bring a united Canada.

• • •

W. D. Ketcheson

Editor, New Era, Melita, Man.

Canada holds a fortunate position in the postwar immigration picture with our vast storehouse of raw materials, power resources and unbounded opportunities in manufacturing, agriculture, lumbering and fishing. We should achieve the obsorption of ten million new citizens within fifteen years.

First choice should be artisans and farmers from Britain. Immigrants from the continent could be carefully selected in order of financial independence and willingness to accept our standards of living with preference accorded to those below forty years of age. I believe absorption of new Canadians would be expedited if segregation into communities according to race and religion were avoided.

• • •

Bert W. Lang

President, Broulan Porcupine Mines Ltd., Toronto.

In postwar years Canada can absorb immigration of 100,000—plus per year in the farming, lumbering, mining, pulp and paper and construction industries, providing individuals and corporations are encouraged to invest new capital in the improvement and extension of old and the establishment of new enterprises. Confidence is most essential if maximum employment is to be provided, confidence in our economic system, in the assurance of a reasonable return on capital invested commensurate with risk involved and in management's ability to operate efficiently free from undue government interference.

• • •

Dr. Stephen Leacock

Former professor of economics McGill University, Montreal, and author of current series articles on Canada's future in The Financial Post.

Yes, Canada can absorb after the war a very great immigration not aimed at special industries but in response to the demand for labor of all sorts all over the country, if we adopted a large scale policy of developing assets, power, transportation, in other words, capital expenditure looking to the future, not to the immediate market with foreigners.

• • •

J. Boyd McBride, K.C.

President, Edmonton Chamber of Commerce.

Undoubtedly yes, Canada can absorb substantial immigration after the war. Canada is fully capable of supporting a population of forty or fifty millions.

A main requirement will be the opening up and establishment of permanent overseas markets for our agricultural products throughout the world but especially in the devastated countries. Obviously these devastated countries will have no funds to buy and to them the victorious allies should extend long-term credits. If this is done, one hundred thousand new families could be established on the fertile areas of the West, with a comfortable standard of living.

Then again there are ample opportunities in Western Canada for those with initiative to develop secondary industries. We have vast known and readily available coal resources. The development of other substantial ore bodies for light and heavy industry would maintain a prosperous industrial population.

One essential for Alberta will be the establishment of more equitable freight rates on imports and exports. The vital strategic position which Canada occupies on the global airways provides a splendid opportunity for the thousands of young men in the allied air services who will want to settle in Canada for that reason.

• • •

Prof. Griffith Taylor

University of Toronto.

The second great period of world migration is beginning, i.e., the slow occupation of the third and fourth class empty agricultural lands. All the first-class lands are alienated, although not at all completely utilized yet. Canada's future population will ultimately become doubled and trebled, but it will take a century or more. Moreover, two of the world's great assets, the Alberta coal and the McMurray oil sands, will be adequately exploited in the near future, as much of the prairie population turns from wheat to factories.

Unfortunately, Canada is the sole progressive nation where modern geographical knowledge is ignored in the schools. We cannot do our fair share in postwar reconstruction until our educational authorities change their mid-Victorian attitude in this respect.

Retail Hardware Proves Stable

Survey Uncovers Problems Within the Trade

By WALTER M. BOWLEY
For Dept. Business Administration, University of Western Ontario

As the retail hardware business is characterized by relatively large inventories of relatively slow moving goods, necessitating more capital with which to set up business, it is harder to launch than certain other businesses. Consequently mortality is lower than in the grocery trade, for instance. Moreover, the business calls for a certain amount of technical knowledge which can only be gained by actual experience and this tends to limit the number of people inclined to enter this trade.

Following is a table showing the start and close of independent retail hardware firms in London, Ont., over a period of ten years, from 1932-42, with the end record remaining remarkably even:

Year	No. Beginning	No. Withdrawing	Total No. Recorded
1932	0	1	14
1933	0	2	13
1934	1	1	12
1935	1	1	12
1936	4	2	15
1937	1	0	14
1938	0	0	14
1939	2	0	16
1940	0	1	16
1941	1	1	16
1942	0	0	15

Reasons for Failure

Reasons why nine retail hardware stores went out of business between 1932-42 include:

The building of one store was owned by a trust company which leased the property to a drug store. The hardware dealer was unable to find other accommodation for his business in the district and had to discontinue.

The owner of another for several years had functioned by buying up bankrupt stock of firms in other districts. When business conditions got better and he couldn't buy any more bankrupt stock, he went out of business. He had had no intention of remaining in hardware having merely seen an opportunity to make some money in this way for a few years.

A keen hardware merchant died, leaving his business to a son who disliked it and went into the hotel business instead.

Another merchant picked a bad location, didn't do enough business and was forced to sell out.

Still another was forced to give up for reasons of poor health.

Retailers interviewed said that the above merchants failed because they didn't have a big enough turnover and hence not enough profit. On the other hand wholesalers claimed very few concerns went out of business for that reason. Nor did they believe there were too many hardware stores in London for the size of the city.

Withdrawal Percentage

Following is a table showing the percentage of hardware store withdrawing from business each year:

Year	Percentage Withdrawing
1932	7.14
1933	15.39
1934	8.33
1935	8.33
1936	13.33
1937	0
1938	0
1939	0
1940	6.26
1941	6.26
1942	....

Certain problems of the London hardware retailers were uncovered as a result of the survey.

Chief of these was the fact that wholesalers were selling merchandise to almost anyone. A man did not have to be a retailer to buy goods from a wholesale hardware concern in London. It sufficed if the purchaser worked for a large concern buying goods from a hardware wholesaler to obtain merchandise much cheaper than he could from any retailer. The latter found such competition stiff and boycotted certain wholesalers who practised it. Now, however, WPTB has forbidden wholesalers to sell to anyone except a retailer and result is mutually satisfactory.

Second problem was loss of paint sales due to setting up of retail outlets, by paint companies, which sold only paint and wall paper.

High Costs Close A B. C. Foundry

From Our Own Correspondent

VANCOUVER.—A wartime casualty, due to WPTB ceiling policies, is the Anthes-Tait Foundry, Ltd., which has ceased operation here after a long period of activity.

Increased costs of raw materials and manufacturing made it impossible to continue in business, the company states. As a ceiling on commodities produced by Anthes-Tait was imposed on Dec. 1, 1941, the company could not meet the augmented operating costs, due principally to increased wages in the last two or three years.

Anthes-Tait manufactured soil pipe and soil pipe fittings and was one of the few plants of its kind in the West. It was originally founded in 1929, although the present company took control in 1929 when Anthes-Imperial Ltd., Toronto, entered the setup and re-equipped the plant.

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Films Made With War Alcohol—The last aerial photograph fits snugly into place—and there lies the blueprint of another German target due for a pasting by our fighting airmen. Pictures taken by aerial reconnaissance are vital links in the chain which will lead to the ultimate destruction of the Axis war machine. Another link is the camera film on which these pictures are recorded. In making this special film alcohol is used, just as it is used for many other essential war purposes—for plastics, explosives, anti-freeze and navigational instruments. In the factory, on the field of battle itself, Alcohol is making a direct contribution to Victory. Because it is so urgently needed in such fabulous quantities, our plants are operating at peak capacity.

GOODERHAM & WORTS, LIMITED

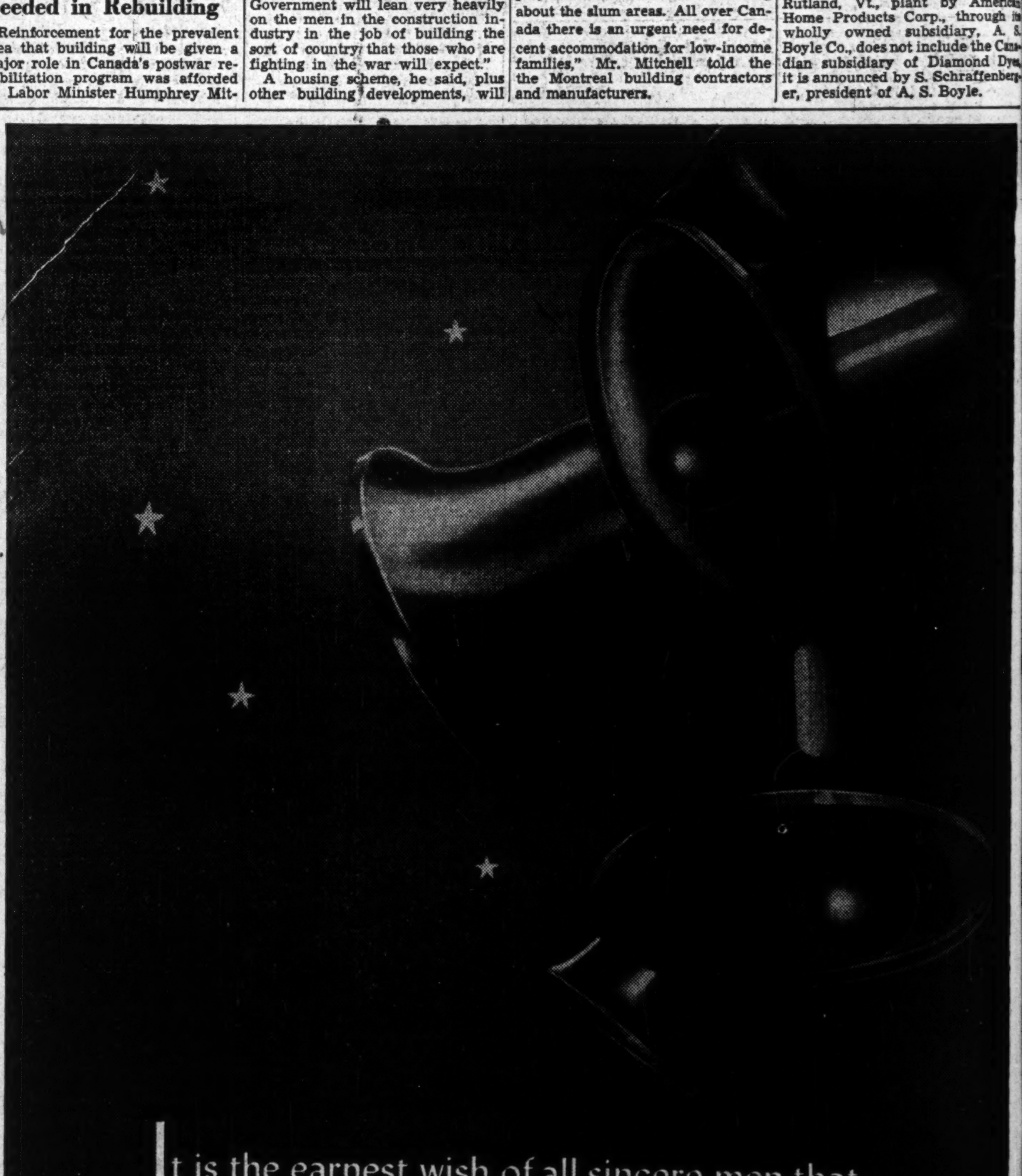
Construction's Help Needed in Rebuilding

Reinforcement for the prevalent idea that building will be given a major role in Canada's postwar rehabilitation program was afforded by Labor Minister Humphrey Mitchell when he told the Montreal Builders' Exchange last week: "The Government will lean very heavily on the men in the construction industry in the job of building the sort of country that those who are fighting in the war will expect."

A housing scheme, he said, plus other building developments, will mean a great deal in postwar employment. "We must do something about the slum areas. All over Canada there is an urgent need for decent accommodation for low-income families," Mr. Mitchell told the the Montreal building contractors and manufacturers.

DIAMOND DYES DEAL

Purchase of Diamond Dyes and its Rutland, Vt., plant by American Home Products Corp., through its wholly owned subsidiary, A. S. Boyle Co., does not include the Canadian subsidiary of Diamond Dyes, it is announced by S. Schraffenberger, president of A. S. Boyle.



It is the earnest wish of all sincere men that the Christmas message of "Peace on Earth" may ring out once more, and that the New Year may see the realization of all our hopes.

GUTTA PERCHA & RUBBER, LIMITED

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INVESTMENTS

Union Gas

What is the postwar outlook for Union Gas Co.?

The postwar cost and rate outlook for Union Gas is somewhat in doubt. The years of the war have seen a reduction in natural gas output and the building of plants to manufacture supplementary supplies from still gas and propane. This has resulted in an increase in costs. In addition revenues have been hit by wartime reduction in domestic and commercial consumption and increase in industrial use, which latter brings less revenue. A surcharge has been allowed on industrial rates and the company is claiming the necessity of further adjustments.

A basic factor in determining the company's postwar position seems to be ability to discover additional natural gas sources. If manufactured gas, or gas recovered from petroleum refineries has to be used costs, and therefore, rates may require adjustment. The company had established a strong domestic heating business before the war and a return to its old marketing setup would probably be of benefit. Evidence is at hand to indicate willingness of former house heating customers to buy from Union Gas again as soon as supplies are available.

Over the last two years for which reports have been received, sales showed a reduction of 18%, while net earnings, before taxes and fixed charges, fell 32%. This indicates that the operating profit per dollar of sales dropped some 17% in the period.

Hayes Steel

Could you give me some information relative to the future possibilities of Hayes Steel Products?

Hayes Steel Products manufactures a wide range of products such as clutches, axles, joints, forgings, stamping, wheels and other articles for the automobile, mining, electrical and other industries. It is engaged, at present, almost entirely in production of war goods. Earnings, before depreciation or taxes, have shown a phenomenal expansion from $276,065 in 1939 to $2.8 millions in 1943.

For several years prior to the war operations had been showing a steady improvement, recovering from a series of losses during the early 1930's and in 1939 net profit amounted to $152,019, or approximately $1.60 a share on the basis of present capitalization. The postwar earnings of the company will, of course, depend upon the amount of activity found in those industries upon which it depends for its markets, but there is no reason to suppose that it is at a competitive disadvantage in comparison with other companies in the same line.

Township Control

What control is now exercised over the finances of Ontario townships?

The affairs of townships, as well as of other municipalities, are under the supervision of the Ontario Department of Municipal Affairs. This department exercises a constant survey of all municipalities, checking on expenditures and tax rates, and in cases where it believes that the policies of a municipality will eventually result in bankruptcy, the department will take that municipality under supervision, in accordance with the terms of the Ontario Municipal Act.

There is no specific control over the amount of taxes that a municipality is allowed to levy, The Financial Post is informed, nor on the amount of surplus that may be accumulated in good years. Surpluses are usually applied directly to the reduction of debts, so that the problem of an accumulated surplus is very rare. Actually, the department's powers are exceedingly broad, and largely discretionary. It makes a policy of assisting and educating municipal officers rather than of policing them, but it holds very strong police powers in reserve.

Montreal Tramways

Could you tell me when Montreal Tramways ceased paying dividends, the bearing, if any, of its debt refinancing on this, and prospects for the future?

Montreal Tramways paid its last dividend of $1.50 on Jan. 15, 1941. At this time the company was again operating at a profit, after taking a loss for three years, from 1937 to 1939.

Refinancing of the company's bond has reduced interest costs about $200,000 a year. However, in connection with the issue of the new general mortgage sinking fund bonds, it is provided that at least $2 millions of the issue must be redeemed before the company can resume dividend payments. Working capital has improved steadily from 1937 to 1941, due to a discontinuation of rental payments to the city of Montreal and later to a cessation of dividend payments and increased activity of the company generally. Between the end of the years 1941 to 1942, however, working capital showed a reduction of about $500,000, which is about the amount of contract payments to the city of Montreal. These last were begun again in 1942 due to the company's increased profits.

In the light, therefore, of this latest reduction in working capital, while between 1939 and 1942 its total revenue increased from $13.4 millions to $19.9 millions, the latter figure being the result of exceptional wartime conditions, the ability of the company to redeem at an early date the $2 millions of bonds mentioned above would seem to be somewhat in doubt.

INCOME TAX

Dividends at Year End

I expect to receive a number of dividend payments coming due at the end of the year. If some of these are sent out by the company before Dec. 31, but not received by me until after Jan. 1, in which year will they be taxable?

They will be taxable as 1943 income, as, even while not received by you, they were paid as far as the company is concerned. It is considered fairest to all taxpayers to tax dividends on the date paid by the company.

Farmers Feed Grain

I am a dairy farmer making most of my income from selling milk and cream. Each year I feed my cows hundreds of dollars worth of hay and feed grain. Can I deduct the price of these from the income I get from the milk I sell, when computing my income tax?

No. The hay and grain presumably are products of your own farm, and accordingly their value is considered as part of your income. If, however, they are not sold but are used to produce milk they are then not directly taxable, the income received from the milk produced being taxable. If to produce the hay and grain you paid out anything for seed, labor, etc., you are allowed to deduct it as a regular farm expense.

Local Taxes

I own several houses which I rent, the rentals being an important part of my income. On some of these properties local improvement taxes are quite heavy. Am I allowed any consideration for income tax for these local taxes?

You are allowed to deduct local improvement taxes on houses you rent to others from your income for tax purposes. You cannot deduct taxes on the house you live in yourself, however.

WPTB QUESTIONS

Rental Notice

I have been given six months' notice to vacate my house. Notice was given the day the rent was due, and no reason was given as to why I was being asked to move. Is this legal?

No, notice should be given the day before the rent falls due. The landlord should give notice on the form provided by the Board. If you are a desirable tenant, the rent is not in arrears and no damage has been done to the property, you can be asked to move only if the landlord intends to live in the house himself or rent it to his mother, father, son, daughter or daughter-in-law.

When You Travel

My husband and I are planning to go to the United States this month and will visit there for two months. Will we be able to use our ration books there?

Definitely, no. Your Canadian ration books are not valid in the United States. They should be turned in to your local Ration Board office, and you must re-apply for them when you return to Canada. Make a statement to the Board that you are leaving Canada and will return in two months. When you reach your destination in the U. S. apply to the nearest ration office there for your U. S. ration books.

Egg Ceilings

I was charged 60c. for half a dozen eggs in a paper bag with no stamping. Is this too much?

Yes, we believe you were overcharged. Egg price ceilings are 56c. a dozen for Grade A large in bags, 58c. for Grade A large in cartons. Premium quality eggs may be sold up to 62c. a dozen, but they must be sold in a sealed carton bearing the words "premium quality."

Janitor Services

I own a duplex in Toronto. I originally paid the janitor $12 per month. He then raised his price to $16 and is now requesting $20 per month. Is there no ceiling on such services?

While this would seem a high price for such services, it is a matter that would have to be settled between the janitor and yourself. If you have a contract with your janitor he should fulfill the contract at the price agreed upon. You cannot, however, force him to work for you.

Cost-of-Living Bonus

I do not know whether or not I am receiving the correct amount of cost-of-living bonus. Could you please advise me?

Sorry, cost-of-living bonus does not come under the jurisdiction of the WPTB. Please write to the Regional War Labor Board, Parliament Buildings, Toronto.

SALES MANAGER

Norman A. Eager, promoted to sales manager by Burlington Steel Co., Hamilton, has been assistant sales manager since 1940.

B. C. Farms Get Edge on Mines

Mine Output Drops $3.7 Millions Due to Many Closures.

From Our Own Correspondent

VANCOUVER—Due to the discouraging situation facing the mine operators in British Columbia and enhanced prices of farm products, a major reversal in the standing of two important B. C. primary industries is likely to occur this year. For the first time in many years value of agricultural output will probably exceed that of mine production.

The B. C. harvest last year, according to figures only just announced by the provincial government, reached a record high of $73.7 millions, while mining production totalled $75 millions. But this year, while farm production is expected to remain about the same, mining has dipped below the $70 million mark.

Farming thus will probably take second place in industry, led only by forest products, with mining dropping to third place, and with a wide margin over fisheries.

The B. C. farmer has, generally speaking, been doing pretty well in an economic sense, while the miner has been hard hit, especially in respect to gold, 18 out of 25 gold mines in operation before the war having been shut down.

Value of farm production has increased in all major divisions except tobacco. Imports from other provinces were valued at nearly $28 millions, compared with $21 millions in 1941, while agricultural imports from all sources totalled $29.7 millions, an increase of 31% from the total for the previous year.

British Columbia in the same period exported farm produce to the value of $14.3 millions, compared with $11.6 millions in 1941. The 1942 fruit crops totalled 321.4 million pounds compared with 271.2 million the previous year, but there will possibly be a decline this year owing to the smaller pack of apples. Value of the fruit crop in 1942 was $12.2 millions, an advance of nearly $4 millions.

DEHYDRATED VEGETABLES

Dehydrated vegetables valued at about $3¾ millions—almost four times the total for 1942—are being produced by Canadian plants this year. Of the 6,400 tons being produced this year, some 5,600 tons are for Britain. About 1,600 tons of dehydrated vegetables were prepared last year.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

Price of Tungsten Scheelite Ores. M & S. Order No. MC 21B, Oct. 30, rescinds Order No. MC 21A. Metals Controller, G.C. Bateman.

• • •

Appointment to Dyestuffs Advisory Committee. M & S Order No. C.C. 5B, Nov. 5, appoints W. M. Berry as a member of the Dyestuffs Advisory Committee in place of E. Camp. Controller of Chemicals, E. T. Sterne.

• • •

Slaughtering of Livestock and Stamping of Carcasses. WPTB Order No. 340, Nov. 23, sets out rules governing permits for slaughtering of livestock, and also requires stamping on the carcasses. Exceptions to the general order such as farmers and their families are also made. The order revokes and replaces Order No. 296. D. Gordon, chairman.

• • •

Wrapping Papers. WPTB Order No. 342, Nov. 23, provides for the further control of wrapping paper manufacture by requiring the registration of manufacturers and giving authority to the administrator to order the quantity and kinds of paper to be manufactured. D. Gordon, chairman.

• • •

Maximum Prices for Manufacturing Creamery Butter on a Custom or Commission Basis. WPTB Order No. A-996, Nov. 26, provides that if a primary producer of cream or milk and the operator of a creamery mutually agree in a written contract on the price to be charged by the operator for manufacturing, packing and selling creamery butter, such agreed price shall be exempt from base period price regulations. Administrator of Dairy Products, K. H. Olive.

• • •

Multiple Containers. WPTB Order No. A-1002, Nov. 29, regulates the types of multiple containers which may be manufactured. Administrator, Packages & Converted Paper Products, C. V. Hodder.

• • •

Maximum Prices of Canned Fruits and Vegetables. WPTB Order No. A-1012, Dec. 6, provides maximum prices for canned pumpkin. Deputy Co-ordinator of Foods Administration, F. S. Grisdale.

• • •

Combined Wholesale Markup on Sales of Fresh Fruit and Vegetables on or from the Montreal Fruit and Vegetable Market. WPTB Order No. A-997, Nov. 26, provides for increased markups on sales to retailers by warehouse-jobbers and trucker jobbers in the Montreal area, on root vegetables, onions and fruit, under certain conditions. The cost of such markup must be wholly borne by the retailer, who may not raise his selling price beyond the present maximum. Administrator of Fresh Fruit & Vegetables, E. J. Chambers.

• • •

Eavestroughs and Conducter Pipe and Associated Items. WPTB Order No. A-1011, Dec. 2, provides for the manufacture of the above items subject to certain specifications or, in other specifications, only to the written undertaking of the buyer that the parts will be used for repair and maintenance. New installations in any case require a permit from the administrator. Administrator of Fabricated Steel & Non-Ferrous Metals, H. H. Foreman.

• • •

Prices of Dressed Poultry and of Live Poultry. WPTB Order No. A-1019, Dec. 8, amends Order No. A-893 to include prices for turkeys, ducks and geese as well as chickens. Administrator of Meat and Meat Products, F. S. Grisdale.

CNR Decides On New Line

From Our Own Correspondent

MONTREAL.—Approved in 1940, the construction of a new 15-mile line will now be undertaken by the Canadian National Railways at a cost of $2.8 millions to link up Eastern Junction with Bout de l'Isle in the Montreal area.

Construction of the line was deferred in 1940 owing to wartime conditions. Conditions apparently have changed to such an extent that the railway now feels warranted in going ahead with the project.

The Eastern Junction station lies midway between the municipalities of Mount Royal, adjoining the City of Montreal, and St. Laurent and is the point where the St. Eustache-Laurentian mountain line of the CNR meets with the freight transfer line to the marshalling yards at Turcot in Montreal.

The new line, which will have a conveniently located station between the city and Bout de l'Isle, will also give travellers between Montreal, Chicoutimi, Lake St. John and Abitibi districts access to the new CNR Terminal in Montreal.

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PLAN AHEAD

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Municipal Securities

New Issue: A small balance of the 3% debentures, due 1949 to 1954, are available.

$515,000	Town of Leamington	
		2½% Debentures due December 31, 1944 to 1948
		3% Debentures due December 31, 1949 to 1955

The following new issues, having been sold, are now advertised for purposes of record only.

$270,000	Town of Kingsville	
		3% Debentures due December 31, 1944 to 1948
		3½% Debentures due December 31, 1949 to 1958
$284,000	Town of Thorold	
		3¼% Debentures due October 1, 1955 to 1969
$180,000	Town of Mimico	
		3% Debentures due October 15, 1944 to 1948
		3½% Debentures due October 15, 1949 to 1953
		3¾% Debentures due October 15, 1954 to 1963
$339,711	Township of Etobicoke	
		2½% Debentures due December 31, 1944 to 1948
		3% Debentures due December 31, 1949 to 1953
		3½% Debentures due December 31, 1954 to 1962
$237,682	City of Niagara Falls	
		2¼% Debentures due January 15, 1945 to 1949

The above debentures are all callable at par at the option of the municipality upon a varying number of days' notice, in reverse order of maturity, and were issued for the purpose of refunding outstanding callable debentures, and/or capital loans bearing higher rates of interest.

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These are exciting features of this factory project designed by architect Richard Bennett, member of the faculty of Yale University and of Vassar College, and winner of the recent Wheaton College competition.

"Facilities like these," says Mr. Bennett, "make the factory a potential community and social center. They can be located on factory roofs without necessitating any increase in floor or plot areas."

This is another in a series of architectural designs suggesting greater utilization of valuable roof space that is too often neglected.

Barrett coal-tar pitch and felt roofs have been standard for flat-roof construction since 1854. Yet they are ideally suited to accommodate the current trends in post-war planning. Whatever the design, Barrett Specification Roofs will continue to provide the maximum in dependable, long-lasting water-proofing and weather-proofing protection.

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U. K. Looks to New Products

Canada Left Behind in Joint Industrial Research

To develop tomorrow's electronics, synthetics and alloys and win the coming tussle for world trade, British industry may expand its research machinery and stimulate the whole industrial technical effort despite pressure of war demand.

Expansion and stimulation are proposed in an important document adopted recently by the influential Federation of British Industries. of which the president this year is Sir George H. Nelson, chairman and managing director of English Electric Co.

Embodying ten-months' study by a special committee of the federation headed by British Iron & Steel Federation Director Sir William Larke, the report recommends, among other things, creation of a jointly financed bureau, national in scope, to advise on and promote industrial research principles, as well as the setting up of committees to supplement existing co-operative research associations.

The British reports emphasis on co-operative research by competing interests provides a contrast for the Canadian situation—except for wartime measures in rubber, chemicals, metals and certain other fields, interest appears to have been relatively scant in Canada in co-operative industrial research. In Britain it has been highly successful and may be extended.

The Taxation Factor

Endorsation is given the principle that for purposes of taxation all expenditure on research and development should be chargeable against revenue either immediately or over the commercial life of any asset created. The report says there have been complaints that costs of development — for example in trial patterns and tools, tests, patents, etc.—have been disallowed while such capital items as buildings for research and development have never been admissible

Canadian industry considers itself well treated on the whole in this regard, The Financial Post is told. Industry leaders consulted invariably said the attitude of revenue authorities had encouraged rather than discouraged industrial research in Canada.

One, who has been directly in touch with both industrial research and government policies in general, told The Post that, while he knew of no definite policy to stimulate research, taxation policy in the past had been clearly favorable to it as an element of costs for income tax. "If you do spend, they allow," was the way he put it.

Another, a legal authority on taxation with many contacts in industry, suggests the larger mercantile, automotive, electrical equipment and similar corporations with continuously heavy research and development costs, are encouraged to continue that work while, on the other hand, a firm with a large excess profit and a new research program probably would not be so favored.

With regard to costs of patenting as an item in Canadian product-development, an authority told The Post he believed these would be deductible from income for taxation provided the invention related to the ordinary business of the applicant. However, he pointed out that if an individual Canadian patents an invention, his royalty revenue is taxed as income; in other words, he is soaked for his inventiveness and readiness to undertake responsibility under patent.

Six British Proposals

The Larke committee's FBI report makes six main recommendations and reaches 15 other general conclusions to stimulate British industrial research.

Recommended is a "bureau of industrial research" to be established in the immediate future, national in scope, entirely objective in activities, financially supported by research associations, independent laboratories, government establishments, universities, etc. The bureau would publish a year book, undertake educational publicity; might advise firms whether their problems required scientific investigation, and possibly create a liaison between research workers in related fields.

The suggested year book, embodying outlines of research achievements and facilities, would demonstrate at home and abroad the paramount influence of research on the quality of British industrial products.

More Public Funds

The government is asked to allocate to its Department of Scientific and Industrial Research an annual sum of at least £1 million so that the department will be able to expand its activities, making grants for any research or development of national importance, such grants being extended to cover capital expenditure, and individual companies made eligible for contributions. The department also would engage in greater publicity with regard to its services to industry.

A less restrictive policy in the whole matter of DSIR grants is urged. The Larke report says the Department should make maximum use of its wide powers both in the amount of grant in relation to countervailing contributions from industrial subscribers to associations, and as regards the eligibility of types of organization which, though not research associations in name, are in fact fulfilling similar purposes.

While recommending further aid from public funds, the committee wants main responsibility for programs and policy to continue to rest with industries concerned.

New Committees Seen

Every industry which has not created a collective research association is asked to set up a co-operative research committee with funds contributed in proportion to material interest in the industry. The committee would determine whether scale and nature of research needs were such as to require formation of a research association, whether a link could be formed with existing research associations or whether problems could be dealt with extramurally through university laboratories and other establishments.

Firms comprising the industries which have their own collective research associations are urged to consider now the question whether they are adequately supporting these for maximum utility.

Every manufacturing firm should have maximum recourse to research. Wherever possible it should maintain its own research department; where this is not feasible, it should entrust one or more qualified individuals with responsibility for constant review of application of research to its activities and for initiating desirable investigations. Each firm should maintain a research and development fund, however small.

Small Firm's Problem

"The problems of an individual firm too small to maintain its own research department can in the great majority of cases be dealt with by existing means though the future may show need for facilities similar to those provided in the U. S. by the Mellon Institute and similar bodies."

In Canada the chief government research agency, National Research Council, undertakes sponsored research problems as well as others on behalf of government departmental laboratories, and there are several local commercial agencies of substantial resource and high repute. Ontario has its quasi-public Ontario Research Foundation and there is a similar body in Alberta.

Development Problem

The Larke report poses the related question of whether there are in Britain adequate means whereby inventions or the fruits of fundamental research in universities, research organizations and similar institutions, or even by individuals, can be secured to the national interest and developed up to an industrial scale.

"Such work," the report says, "is habitually undertaken by firms possessing their own laboratories but there is no machinery equivalent, for example, to the Research Corporation of America. This can be utilized by organizations or individuals, other than those commercially interested, to protect by patent their inventions and thus ensure their exploitation in the general interest by control of license issue at home and abroad.

"We consider the desirability of creating such machinery should be carefully investigated. Although government funds would be required in connection with its establishment, it should take the form of an independent organization, established by charter, and not a government organization. Repayment of government funds would be a first charge on any balance of income over expenditure."

"If one per cent of total value of industrial production were spent on research and development, the increased productive efficiency and employment capacity would yield an annual return of many times such expenditure," the Larke report says in summarizing general conclusions.

Discussing achievements it says most of the industries on which "our" modern civilization is based have originated in the United Kingdom. The electrical and chemical industries, for example, "are wholly based on continuous research and could not have been brought into existence or maintained without it.

"Britain's outstanding air-war achievements have been in large measure due to superiority of British aircraft, outcome of research and development in engineering, aerodynamics and on materials over many years, and to development of radio location apparatus."

Most of the fundamental discoveries and inventions, it is pointed out, have been the work of the individual industrial research laboratories throughout the world, or of those associated more or less directly with them. The Larke report overlooks Canadian laboratory contributions in utilization of magnesite, Dr. Pidgeon's magnesium process, development of sulphate resisting concrete, but mentions a few world-famed examples such as television, radio valves, electric lamps, electric cables, stainless steel, new alloys, steam turbines, continuous plate glass process, the synthetic range known as rayon, nylon, "rubber," perspex and plastics, efficient coal combustion in industry, gasoline extraction from coal.

Viewing British industry's two major postwar tasks as provision of fullest measure of employment and achievement of the highest possible flow of exports, the Larke report says:

"Britain's one-time position as leading exporting nation can only be recaptured by establishing a high degree of superiority and originality in industrial products. Industry will have to introduce new materials, develop new products and maintain the highest measure of productive efficiency.

"The application of research is a certain means of increasing employment by the improvement of existing and the creation of new industries; conversely, the lack of it spells stagnation and ultimate bankruptcy."

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by PETER STURSBERG

Peter Stursberg, of the CBC, was the first war correspondent to give the world a "sound picture" of the invasion of Europe. His broadcast of celebrations in the Sicilian town of Agira, after the Canadians took it, was heard throughout the British Empire and the United States.

Somewhere in Italy (by Cable)—War stories at best are hard to get. When a fast mechanized army is on the move, it is a job in itself to keep up with it. Fighting men must have priority, for theirs is the all-important job. Nevertheless, the newsmen, radio and press, have just got to make the grade somehow. Believe me it is no parade. It's an impressive sight to see hundreds of vehicles literally plowing their way to the front. Speeding through dust, rough country, bad roads, heat, noise and excitement. It is really a power drive that we're putting on. You almost have to wait till it's over to know what you've seen. I can tell you it was a great matter of pride to us, in our General Motors Oshawa-built utility truck, to be able to hold our own against all-comers. It was in a "Chevvy" that we brought back the world's first sound picture of fighting in Sicily. If the fellows back home who sweated to turn out these countless cars moving forward into tough engagements could only see the splendid product of their toil and skill fighting against rough conditions, they'd be just as proud as the lads who are in this scrap. We travelled for hundreds of miles over the rough, rocky roads of Sicily to the steep "Devil's Gap" of Italy. It is interesting to note that the song hit "Lily Marlene" was first recorded in our "Chevvy". But we nearly lost the truck and all when first we tried to record a close-up of "noise of battle". Our guns were going to pump forty thousand shells on a feature the Germans held, so we drove up steep brown hills where our batteries were parked in a dried-out stream. In the end the enemy was routed by our Infantry without a shell being fired and we were terribly disappointed with the loss of a fine recording. We weren't disappointed, however, with the breath-taking never-to-be-forgotten trip through Sicily and the toe of Italy in our trustworthy old "Chevvy".

• The main street of a town in Sicily, showing the infantry followed by mechanized equipment. Typical is the country in the background, with its rolling hills and the beautiful church, happily in good condition after the battle.

• Bulldozers came ashore right behind the landing parties and started levelling to form roads for the heavy trucks. Coming up behind the bulldozers from the beach is a long line of motor vehicles and in the distance can be seen the naval equipment and other boats.

• From Italy and Sicily, Peter Stursberg sends his eye-witness account of battle. Here, as in the other theatres of war, Canadian-built vehicles are doing their part in the fight for freedom. Men and women in the plants of General Motors of Canada feel a glow of pride as they hear of and see the results of their labour. From thousands of work benches here at General Motors comes assurance that they will be kept rolling—'till Victory comes.

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, December 18, 1943

What's Ahead For Canada

Stephen Leacock Considers the People of Canada; decides immigration is a vital need; would bar Europeans and colored races.

By STEPHEN LEACOCK

Chapter III—The People of Canada—Past, Present and Future

As far as I know, no cartoonist has ever been able to create a satisfactory figure to stand for Canada. Other nations have their John Bull and their Uncle Sam, or La Belle France, a female figure lush and opulent as a bunch of grapes. These others seem inevitable; they seem to be facts; so they are. Here is John Bull, short and stocky, heavy and reliable — no brains, lots of sense — same place today as he was yesterday and yet somehow away further on tomorrow. And Uncle Sam, you didn't have to create him. There he was, all the way down from Maine to Delaware, whittling a stick in front of a corner store.

And so with all the others — Holland, a Dutchman sitting on the seat of his trousers (that was all you needed); Spain, a Spaniard with a guitar and a cigar; Russia, a Cossack, all furs and whiskers and so on.

Canada Beats Them

But on Canada they all failed. Turn over the pages. Here is Jack Canuck—epoch of 1880—a figure in a blanket suit with a capote —long since gone the way of the Ice Palace and the Snowshoe Club. Here is Jack Canuck —pre-first Great War—something between a river-driver and a cowboy—or, most objectionable, Old Man Canada, a sort of rustic, raggedy, woodpile figure with a corn-cob pipe—evidently Uncle Sam's imbecile half brother.

Most objectionable of all, perhaps, yet surviving as only the amiable survive, is Miss Canada, round as a dumpling, amiable to insanity, with a face wearing the permanently cheerful expression of a snowman with features made of little sticks.

In her defense it may be said that after all none of the female personifications, excepting only La Belle France, can be regarded as successes. The well-known figure of Britannia seemed so for a long time—till it gradually dawned on people with a shudder that Britannia was just the typical Victorian matron—bossy, interfering, and overproper. Rule Britannia? No, rule a little less, for heaven's sake. Hence the figure of Britannia is dying out, turning into a coin, or a stone — something to hold her quiet. Similarly with Uncle Sam—there has never been any Aunt Sam, or at least, any that is ever openly mentioned. She ought to be, of course, a New England matron but she turned out to be (I'll just whisper it) an American Chorus Girl . . . So that's why, you see, John Bull and Uncle Sam knock round so pleasantly together, without their women folk.

The truth is that there is not any such thing as a typical Canadian to draw, nor can there ever be, within our longest vision. There may presently be two — a typical French-Canadian and a typical English-speaking Canadian. But it is impossible to imagine how these two can be fused into one without one or the other of them giving up all that as a citizen he values most. But as yet there are not even two, for our people, even the English-speaking Canadians, are too diversified in race, and place and antecedent culture to fuse yet into one type.

Importance of Race

Now this question of the race and nationality of our population, of the relationship to by-gone history and lost allegiances is of the very greatest importance to Canada. I am sure that I am not the only one who regards our reckless and indiscriminate admission of foreign immigrants for a period of 30 years before the Great War of 1941 as a very great mistake; who recalls with amazement that in those days we currently boasted of our mixed population of the West, that we did our best to teach the West to speak as many languages as possible, and took a special pride in our prize exhibits of "Spirit Wrestlers" (Doukhobors) and such, who called forth our particular admiration by proposing to live among us but have nothing to do with us—still less to share our burdens. We recall that when the War of 1914 broke out we had among us people of enemy alien race (German, Austrian, Bulgarian and a few odd Turks) to the extent of over 400,000.

I am one, I say, of those who consider that we had, I will not say a narrow escape, but at any rate an escape from the disruption that might have come to us if the "melting pot" had boiled a little longer. Fortunately the new metal poured for the most part into the old mold—the West followed ideals of British tradition and British freedom.

It is true also that after the war of 1914-18 we swung off to the other extreme, closed the gates and put our whole weight against them, said that no one should get in except domestic servants, farm laborers and people with lots of money. None of these seemed to want to come—the world is theirs, anyway. So the exclusion policy meant that our population began to drain away again — more out than in. This suited many—for the moment perhaps the majority—in Canada; suited "labor" because the more people went out the more jobs it left for those left behind, so that finally the last man would sit chuckling over all the jobs there were—baker, tinker, plumber—and charge what he liked.

Exclusion suited also the French Canadians, because the people who left were English and the people who stayed were French. Keep that up long enough, rock the cradle and rule the world. The "revenge of the cradle" became a favorite French-Canadian phrase. "What's that they're singing?" says Montcalm to Wolfe under their monument. "Listen, 'Rock-a-bye baby — Here's our revenge.' I hope they're not going to start things all over again, James!"

Look back then a moment over the past phases of our immigration policy. Modern world migration began after Waterloo. In the earliest period (1815-1860) our motto in British North America was—bring them all in and in they sailed in the Emigrant Ship, crowded and dirty, singing and triumphant. Ship-fever and cholera swept many of them off. But, bless you, there were lots more on the roadsides of Ireland and the moors of Scotland and in the English slums. But in any case these were practically all British. There was no problem of nationality, only of subsistence and survival.

So it came about that the great waves of migration from Europe from 1815 to our Confederation only made Canada more and more British. The people of Mediterranean, Central and Eastern Europe had not begun to move. The population of the Dominion after Confederation, Census of 1871, was over 30% French in origin and 60% British. Even the small alien elements had long since been absorbed, the Germans (Pennsylvania Dutch), British in allegiance since Queen Anne's time, and the Negroes, set free by the 'Underground Railway' or colonized into Nova Scotia, so long out of Africa they kept nothing but its color.

We Go After Population

After this first period (1815-60) of migration, mainly British, was a period, after the Civil War and our Confederation, with the door still wide open and none (or few) coming in. The free land of the American Homestead Act (1862) and the legend of the republic turned the current to the United States.

We, therefore, inaugurated a new policy. "Let us," we said, or Mr. Clifford Sifton (1896) said it for us, "go out into the highways and hedges and compel them to come in." So we went out into the highways and hedges (of Bucovina and Galicia), advertising all over Europe. Bucovinians Wanted! Spirit-Wrestlers Needed, Big Opportunity for Croats and Lats; cut rates, free cup of coffee, free land. And in they came, the great invasion of the Northwest.

Now this influx was a part, a consequence, an example in practice of the famous "melting pot" theory which dominated thought and policy in the middle nineteenth century. The current ran strong in the United States till after the opening of the new century. Whether good or bad it had its day till it was replaced by the practical exclusion of the Quota Laws after 1920. But our error in Canada was in presuming that what was good for the United States (at its size) was good also for us (at our size). The Canadian swelled up to rival the American.

The American Example

In reality the cases were not parallel at all. The Americans, until they had a population of nearly ten times our Confederation population, were a singularly unmixed people overwhelmingly British in origin, and when not British something closely akin to it, easily absorbable and absorbed. In Colonial days (covering nearly two hundred years) increase after each initial foundation was largely by natural growth. Apart from single great movements immigration was scant. Exact computation was never made. It is claimed that even at the latest period 3,000 new people a year (added to 3,000,000 whites) was a maximum. When real migration began, after 1815, it was mainly British, and as presently (after 1848) included a large migration of German-speaking people, victims not partisans of tyranny, more republican than the republicans themselves.

The mold of the United States was set firm long before the welter of mixed European elements was poured into it. Even when the United States just before the War of 1914 was adding by immigration a million people a year to its population they made an addition of only one in 100 for the population had reached 100,000,000. For Canada this same percentage would have meant 8,000 immigrants a year. We took in 400,000 in 1913.

Illusion of Permanent Peace

We may in part be exonerated from blame in our reckless, indiscriminate admission of all European nationalities in this period (1890-1914). We shared the illusion of a world that has passed away for ever, the illusion of permanent peace. Only those alive 40 or 50 years ago can recall the outlook of the world in which we lived. War seemed, not indeed to have vanished, but to have become restricted to a limited scale—among savages, or among lesser silly-ass nations, or breaking out only to be extinguished by Big Business and in any case far removed from the splendid security of Britain and America. Dropping bombs from the air might already have proved dangerous but luckily it was strictly forbidden. Such a thing as a World War was a theme only for novelists, and it meant a war between our world and Mars—perfectly fascinating to read about.

Can we wonder then that a nation bred in such an illusion opened the gates wide, invited in everybody and said, "Glad to see you; let us hear you speak Bucovinian."

Then came, as we have said, the Great War of 1914 to 1918 and brought after it a period of exclusion, exchanging one folly for another. The proof of this was seen in our rapid lapse toward stagnation and bankruptcy.

Divergent Opinion

Now we may forgive our errors of the past on the ground of illusion before the Great War and perplexity after it. But it will never do to have the close of the present war still find us under illusion or perplexity. Yet already the divergence of opinion is plain. The fires are being lighted again under the old Melting Pot. New hands are lifting down the big sign "Home For Distressed Europe." Others vigorously rock the cradle or gather in the home jobs. In other words a great many people are already talking of opening up Canada after the war as a refuge for all the stricken, distressed people of Europe, and others are planning to keep it French till it is all French, and others again to keep out all people willing to work.

We need to think this thing out from the basis up. If we bring in workers, barehanded and penniless, with nothing but strength and brains, does that injure or aid the workers on the spot? And if you bring over people of varied race and history who all find work and happy homes, won't they turn into good Canadians? Isn't that what a good Canadian ought to be? Surely this ideal of common brotherhood is nobler than the selfish cult of a chosen people? And just as you get almost convinced of this, some one murmurs: "Then what about a black brother? or a yellow brother, in fact a whole lot of yellow and brown brothers and some lemon colored? You can only answer, "Oh no, we must cut out color"—and then the whole discussion is on again from the start.

Theory Not Our Concern

Now we are not concerned here with pure theory, the long-time theory of the making of races and the formation of racial character. It may be, as scientists say, that race in the fullest sense (color differences) are so slow in the making that the thing can never be done over again in a shifting world. There isn't time to bake any more Negroes, and no time to bleach white the ones we now have. But other scientists have said, indeed it was a favorite dream-talk before the war, that among the white races national characteristics are just a myth, purely superficial, and vanish with a change of environment. Take away a Spaniard's guitar and his castanets—and he'll be, well, he'll be all right; an Irishman without a shillelagh and with a few lessons in English would be fine. Others again claim, and this is one of the newest and favorite American theories, that national characteristics do differ but if you select the best of each and mix them you get a sort of cream of cream nationality, like a de luxe chocolate.

All this may be so or may be not so or may be both. But in Canada we have no time for long-time theory. Our future is too close, too critical, too vital for good or ill. We don't care what people will turn into in a hundred years. We see what they are now. We have to base our policy on that.

Now I take as the starting point of my thought that we must have migration, a great migration, into Canada in the period after the war. We must have a migration far beyond anything we ever had before. Our maximum figure of 400,000 in a single year (1913) must be multiplied many times over. It is not merely because we have room for the people but because we need them. I am convinced that unless we can have a great many people to support in Canada we cannot support the people that we have. Our migration policy is, therefore, not one of philanthropic relief to others but of self interest to ourselves.

The point is that we have built up and expanded a vast industrial structure that is too big for our present population to keep in operation. The driving power of war moves it; without that, or a new mechanism, it will stop dead. The new mechanism is found in migration, in the import of capital goods in development of resources, in getting enough people into the country to open it up for still more people. It is not an endless chain but we won't live to see the end of it.

Without such expansion what meaning has the British Columbia-Yukon (Alaska) Highway? What use are the wells and pipes of Fort Norman, with no one to use the gas? Why turn back Ogoki power and the cascades of the North if it is but a turning water from tub to tub, both empty. The vast power plants, Shipshaw, the northern airfields facing Russia, the St. Lawrence Seaway to the heart of America—what use or meaning has all that without people, more people and still more.

Europe has people to send. After the war the exodus from Europe will be such as was never known before. In the opening years of this century Europe sent out as emigrants, not travellers, about two million people a year. That gives some idea of the potential movement. The United States won't let them in; Australia is too distant; South Africa too black and South America too much like home. They will try for Canada. We, therefore, can have as many as we want. What ones do we take?

The "Right People"

Our situation here is unique. Immigration to us means life but it must be immigration of the right people. Our situation is not like that of the United States, nor even of our sister Dominions. The United States does not have to remain British, however British its basic elements may be. Australia and New Zealand are so British (almost a hundred per cent) that they don't have to think about it. They kick out all colored people at sight; even Italians, to Mussolini's fury, have failed to get by. Europeans don't know the way to Australia and no Australians show it to them.

Now for ever so many of us in Canada our tie with Great Britain seems vital—mutually vital—to us, to them; we are one people. To many of us, I say, any breach of unity on this question would disrupt Confederation. But to stay British we must see to it that our newcomers are British, or something so akin to it as to blend and fuse with the British Commonwealth as a natural part of it.

By British we mean here not necessarily British direct from the British Isles but also British at one remove, or in a transferred sense, as are the Americans so largely kindred in first origin, bred in the same freedom, sharing the same language and literature, the same history as one people for uncounted centuries and after that sharing it as honorable enemies or as allies under arms. These we count as fit material for a British country along with those peoples of Europe close to us in race and history and culture, the Scandinavian peoples, in a sense our own parent stock, and the Dutch, old-time enemies and old-time friends but always in mutual honor and respect.

The words, "This must be a British country," will stand, and indeed need, an infinity of interpretation, patient interpretation at that. We do not mean here that we must import British snobbery (we have plenty at

(Continued on page 17)

—Photo by Karsh.

"We must have migration, a great migration, into Canada in the period after the war . . . migration far beyond anything we ever had before . . . it is not merely because we have room for the people but because we need them . . . I am convinced that unless we can have a great many people to support in Canada we cannot support the people that we have." — Stephen Leacock. The author is here seen at his summer home, Old Brewery Bay, Ont. With him is his niece who, like her famous literary uncle, evidences a keen interest in things agricultural.

"The truth is that there is not any such thing as a typical Canadian, nor can there ever be, within our longest vision. There may presently be two — a typical French Canadian and a typical English-speaking Canadian. But it is impossible to imagine how these two can be fused into one without one or the other of them giving up all that as a citizen he values most."

"Now we may forgive our errors of the past on the ground of illusion before the Great War and perplexity after it. But it will never do to have the close of the present war still find us under illusion or perplexity. Yet already the divergence of opinion is plain. The fires are being lighted again under the old Melting Pot. New hands are lifting down the big sign 'Home for Distressed Europe.' Others vigorously rock the cradle or gather in the home jobs."

"I am convinced that unless we can have a great many more people to support in Canada we cannot support the people that we have. Our immigration policy is therefore, not one of philanthropic relief to others but of self-interest to ourselves."

"We should exclude from new settlement in Canada all colored people, black, brown or yellow; all Asiatic people whether British subjects (the Hindoos) or foreign citizens (the Siamese)."

"Over the face of Europe I would pass exclusion as wide as the sweep of the sword of war, cutting out all Germans till the third and fourth generations."

Now, Anti-Freeze From Wheat?

West Wants This and Other Products Made at Home From Surplus Crops

By GALEN CRAIK

REGINA.—Research and science has an interest for citizens of Canada's prairie provinces today that it never had before.

They see scientists announcing progress in turning wheat into alcohol and antifreeze. They note war-spurred demand for essential vegetable oils made from prairie-grown sunflower, rape and flaxseed.

But they see the processing of these products of the prairie farms done almost anywhere except near the place they are grown.

Like most other citizens, prairie Canadians want prosperity and stability. And they think they could achieve a greater measure of these advantages if they had more industries—preferably industries using the products of their farms as raw materials.

In apparent recognition of such belief, a prairie regional committee of the National Research Council has been appointed. Its chairman is Dr. Robert Newton, president of the University of Alberta and former director of the Research Council's division of biology and agriculture.

Not long ago the prairie regional committee met at Saskatoon. Out of this meeting came evidence that intensive industrial use of farm products of western Canada is still quite a way in the future.

Take the case of the major crop, wheat, as an example.

Scientists Sceptical

There has been a great deal of talk about the use of wheat industrially but most scientists who have studied the matter are sceptical. They admit that recently wheat has been used as never before in the production of industrial alcohol on the North American Continent but, they add, this is mainly because other and cheaper materials have been cut off due to the war. Once the war ends, and shipping returns to normal, cheaper raw materials will be available again. An industrial alcohol and synthetic rubber industry based on relatively expensive wheat would never be able to stand up in competition, they argue.

Take the matter of power alcohol. Under present processing methods, two Imperial gallons of the alcohol are produced from one bushel of grain. M. M. Rosten, former Polish engineer and now of Montreal, who has studied this business exhaustively, has prepared an estimate of the cost. Mr. Rosten splits up the cost of producing one gallon of power alcohol this way:

Alcohol From Wheat
(Based on yield of two gallons per bushel of wheat costing 40c. a bus.)

	Cost Gal. Alcohol c
Wheat required	20
Production cost	14
Manufacturing profit	5
Denaturing, blending, transport	4
Distribution cost	7
Total cost per gallon alcohol	50

The wholesale price at the plant could be reduced to 40 cents, but each 10-cent boost in the price of the raw material, wheat, would result in a corresponding price increase in the gasoline of five cents per gallon. In other words, 80-cent wheat would mean a retail price of the power alcohol of 70 cents a gallon. The wholesale price of petroleum gasoline at Regina, including tax, is 22 cents a gallon. Even 40-cent wheat, a very low return to the farmer, does not enable the grain-based alcohol to compete with the present commercial product for power.

An interesting set of figures has been worked out by the Saskatchewan wheat pool in this regard showing that power alcohol is not as efficient as the present tractor fuel farmers obtain.

A farmer who used 1,000 gal. of the latter in his year's farming operations would require 1,500 gal. of the former to do the same work. As a production of two gallons per bushel of wheat, it would require 750 bus. of wheat to supply the 1,500 gal. of fuel. The market value of the wheat, based on the average production of 15 to 16 bus. per acre, would be $562 at 75 cents a bus. The farmer could purchase his 1,000 gal. of fuel from the oil companies at $220. No matter how badly western farmers want to see their wheat used industrially, there are few who would be willing to see it done on such a basis.

An investigation into the use of power alcohol as a blend for gasoline, instead of lead, has also been made. The alcohol is not quite as satisfactory as lead, but the important point is that if present commercial prices of the product were not to be increased, it would be possible to pay the farmer only 18½ cents a bushel for his wheat.

Dr. Robert Newton, president of the University of Alberta and chairman of the prairie regional committee on utilization of crops which will work with the National Research Council.

Wheat is being used quite successfully in the production of industrial alcohol at present, in Canadian and American distilleries. The Canadian Government pays about 75c. a gal. for this product, the American Government about 50c. Before the war, when molasses from the West Indies was available at 4 to 5c. a gal., the market price of industrial alcohol often ran around 20c. a gal.

Butylene Glycol Promising

There is, however, one product from wheat that scientists agree does hold possibilities. That is butylene glycol, from which research workers at Ottawa have produced an anti-freeze, capable of withstanding temperatures around 30 deg. below zero. At lower temperatures glycol does not freeze. It merely jellies.

This product will be tested on a commercial output basis once the pilot plant at the National Research Council has been completed. Wartime delays in getting needed materials have held up the work.

This process has the advantage that, as well as butylene glycol, other products, industrial alcohol and a high protein livestock feed, are available. From a rough estimate obtained from the Saskatchewan Industrial Development Board, it works out this way:

Butylene Glycol Process Costs

One bushel wheat gives:	Lb.	Value
Butylene Glycol	9.2	$1.00
Alcohol	6.2	0.54
Protein feed	12.0	0.18
Value of products		1.62

Processing costs might run to about 50c. and with wheat at 75c. a bus., production costs would be $1.25, thus leaving a cosy margin for profit and at the same time paying the farmer a fair return on his wheat. Poorer quality grains are just as good, if not better, for this purpose.

It has been estimated that Canada's anti-freeze needs in a normal year could be met by the use of 1.2 million bus. of wheat. The retail price, it is expected, would be considerably lower than the present commercial product.

It should be stressed, of course, that final and exhaustive tests have not yet been made on this process, although research workers are more confident that this is a project feasible economically. Butylene glycol also provides a satisfactory base for plastics, it was revealed at the Saskatoon meeting.

As for other crops suitable for industrial processing in the West, sunflower and rape seed hold the spot-

(Continued on page 14)

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WPB Clamps Down On Newsprint Grants

Grants of additional tonnage to American publishers by the War Production Board over and above their original base allotment, are being tightened up. For the fourth quarter of 1943 through to Nov. 30, such grants have aggregated 25,904 tons. This contrasts with 60,286, 57,962 and 66,352 tons allotted in the third, second and first quarters, respectively.

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Newsprint
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1944 Paper Prospects Forming

May Have to Cut Newsprint Production by 10%

By JOHN LANGDON

MONTREAL.—First of the estimates on Canada's pulpwood supply for 1944, and on which newsprint operations will be based, will be available over the week end.

No advance information is available, but it would not be surprising if the announcement indicates a wood supply insufficient to maintain paper mill operations at current levels.

Results of the first four months of the current cutting season indicated a decrease in Canadian pulpwood output of 25% below the same four months of last year.

At the rate of cutting in the immediate past there would be only 5,850,000 cords of pulpwood available for conversion by the Canadian pulp and paper industry in 1944.

Plan on Lower Supply

The pro rata share of newsprint which the United States would receive at such a level would be 162,000 tons a month. However, Canadian authorities have undertaken new measures to increase the woods labor force and the United States has set an important goal of 182,000 tons a month for the first quarter of 1944, according to Harold Boeschenstein, director of the War Production Board Production Controls Bureau and head of the WPB Forest Products Bureau.

Should production of pulpwood increase to permit greater shipments, Canada has agreed, says Mr. Boeschenstein, that the increase will be reflected proportionately in newsprint and in the wood pulp and pulpwood exports to the United States.

Until the current wood production season progresses further, the status of such increase, if any, is indeterminate and even the indicated goal of 182,000 tons for U. S. delivery may be too high.

On the basis of prospective shipments to the States in the first quarter of 1944, Canadian newsprint production for next year may run around 225,000 tons monthly, or 2.7 million tons for the full year. This contrasts with an indicated output this year of a little over 3 million tons.

Of the indicated monthly supply, 182,000 tons would go to the States; about 16,000 tons would be retained for domestic consumption, with the balance scheduled for overseas markets.

In so far as the United States market is concerned, WPB officials are planning on an anticipated supply of 3,050,000 tons next year, or 255,000 tons a month. This total is made up of an estimated 182,000 tons from Canada; 60,000 tons from U. S. mills and 13,000 tons from Newfoundland.

Problem for States

This year the apparent supply of newsprint paper for the U. S. is placed at 3,310,000 tons; or 292,500 tons monthly: 210,000 tons from Canada, 70,000 from U. S. mills and 12,500 from Newfoundland.

Indicated consumption, however, may run close to 3.7 million tons. The difference between consumption and supply is being made up by the publishers through drawing down from their reserve stocks, which at the end of October last had been reduced to 401,564 tons, or 53 days' supplies.

During the base year of 1941 U. S. consumption of newsprint totalled 3,915,000 tons. The indicated 1944 supply, therefore, represents a drop of 23%.

To Effect Balance

In order to effect a balance between demand and supply on the prospective 1944 tonnage, a cut of 23% in consumption has been ordered for 1944 compared with 1941.

In effect the new curtailment on Jan. 1 next means a 13% cut, as two 5% cuts were taken last July and last October.

The curtailment of newsprint usage next year will hit hardest at the large metropolitan papers. Under the sliding scale of curtailment to be adopted, papers using less than 25 tons quarterly will not be affected. For the next 100 tons a reduction of 4% will be enforced from the 1941 base period. This percentage of reduction increases to a maximum of 24% in case of papers using over 1,000 tons quarterly.

One of the largest New York papers, with a Sunday edition, will have to use 7,267 tons, or 29% less in the first quarter of 1944 than it did in the like period of 1941. Already this paper is rejecting a great deal of advertising because it didn't have the paper on which to print the advertising.

Program Not Final

While it is now pretty well taken for granted that the 13% cut will apply to American papers at the beginning of the year, there is no assurance that the cutback will not be increased.

Much depends upon what luck the Canadian newsprint producers have in increasing their supply of pulpwood. An intensive campaign is under way now to secure a larger supply of wood. Reports from some districts are encouraging. Other sections report little improvement. However, it is the over-all picture that counts and by the end of this week the WPTB pulp and paper administration will have a clearer idea of how the pulpwood supply situation will shape up next year.

From the returns the WPTB will be able to tell with reasonable accuracy whether newsprint and other paper supplies for 1944 will be off 13%, more or less.

Urges New Assessment Basis For Income Tax

Would Reform Method of Determining Allowances for Dependents and Other Matters in U.K.

Discussing the future of income tax, The Economist says it may be that some of the wartime taxes will be continued after the war—though the two chief of them, the excess profits tax and the purchase tax are equally unsuitable for the purpose. The overwhelming probability is that the main reliance of the Exchequer after the war will be on direct taxation and, within direct taxation, it must be mainly an income tax.

The income tax as it exists in Britain, The Economist goes on to say, really serves three purposes which are, or should be, distinct. First, it is a universal proportional tax, subject to allowances, on almost all incomes. Secondly, together with the surtax, it is a steeply progressive tax on the incomes of the middle classes and the rich. Thirdly, it is a tax on the profits of business.

In its function as a universal direct tax, it is pointed out, the income tax suffers from three defects. It is somewhat too complicated in assessment. It is collected in arrear, and it appears to bear with particular weight on the earnings of additional effort.

Wants Assessment Changed

The complications of assessment. The Economist regards as the most dangerous defect. Chief obstacle to current assessment, it says, is that week-to-week calculations cannot without great difficulty make provision for the various allowances. "The only tax which can easily be collected from incomes as they arise is one which ignores all allowances and is calculated on a flat rate on all incomes."

Abolishment of allowances is considered thoroughly unfair, and The Economist advances the suggestions that allowances should not be used as deductions from income before it is taxed, but as offsets against the tax payable. To that end it recommends giving vouchers to the taxpayer for his or her allowances. These would be deposited with the employer who would offset them against the tax and deduct from wages or salary only the balance. In the exceptional case where this is not desired, the vouchers could be cashed against proof that an equivalent amount had been paid in tax.

New Suggestion Advanced

Along these lines considerable attention is given by The Economist to a proposal advanced by A. T. Haynes and R. J. Kirton before the Institute of Actuaries. Their suggestion is that the income tax should be tied in with social security. Under the Beveridge plan every citizen would be assured of a minimum income. Messrs. Haynes and Kirton propose that the Government pay a cash allowance at fixed rates to every citizen, and levy income at two standard rates—one for earned income, the other for unearned income—on all incomes at the source as they arise.

In effect what is suggested is a combination of the present income tax, plus the Beveridge plan. Everyone would get his minimum income at all times and all incomes would be taxed; in other words, there would be a national minimum. While neither condemning or approving the idea, The Economist says the scheme should be thoroughly studied "for it is not so far removed from possibility that it may not be taken up in earnest before many years have passed."

At least partly answering one of The Economist's criticisms, Britain is adopting, on April 6, 1944, a pay-as-you-earn income tax policy. It will apply to all weekly wage earners whose tax is deducted at source, with the exception of civil servants and railway officials to whom special arrangements already apply.

Under present schedules the amount of one year's tax is assessed, for every taxpayer, on the basis of the preceding year's earnings. In the case of weekly wage earners, who are also weekly taxpayers, the lag between money earned and tax paid is 10 months, which gives rise to misunderstandings and may cause definite hardship when earnings fluctuate, decline or cease.

Basis of Plan

New system provides that the weekly tax payment will be based on the same week's earnings, with allowances every week for a proportionate share of the exemptions and reliefs, or allowances, to which the taxpayer may be entitled.

Tax to be deducted in the first week, says The Economist of London, will be the standard rate less one fifty-second of the reliefs and allowances for the year; the tax to be deducted at the end of the second week will be the standard rate of earnings of both weeks, less the tax deducted in respect of the earnings in the first week and two fifty-seconds of the reliefs for the year.

If earnings suddenly cease in the third and fourth weeks, tax liability does not accumulate, but reliefs do; and the tax liability at the end of the fifth week, assuming work to have been resumed, will be the standard rate on the aggregate earnings of the first five weeks, less the tax already deducted in respect of the first two weeks and five fifty-seconds of the reliefs and allowances for the year. If aggregate relief for the five weeks and the tax already paid in respect of the first two weeks exceed the tax at the standard rate on aggregate earnings during the five weeks, the difference will be refunded.

Provision is made for special circumstances, such as the change in allowances due to additions to the family and changes in employment.

Seeks Premium On Light Paper

From Our Own Correspondent

MONTREAL.—Subject to approval of the OPA and acceptance by the publishers of an additional charge of a $5 a ton, Great Northern Paper Co. has written to its customers saying that it is willing to provide them with 30 lb. newsprint paper for a trial period of two months in January and February. At present the standard weight of newsprint is 32 lbs. on the basis of 24 by 36 inches per 500 sheets and the base cost $58 a ton.

A reduction in weight primarily results in an increase in yardage per ton, but in order to handle the lighter weight of sheet it is necessary to increase the sulphite pulp content and to slow down machine operations. The latter two factors account for the higher price asked for the light weight paper.

BIG SUNFLOWER CROP

About 9.8 million lb. of sunflower seed were harvested in Manitoba this year from 14,000 acres. Saskatchewan produced 8.7 million lb. from 14,500 acres while Alberta's 500 acres yielded 100,000 lb. Commercial production of this oil-bearing plant is confined, practically to the Prairie Provinces.

Nov. Newsprint Output Holds

Both Output and Shipments Last Month Above Last Year

From Our Own Correspondent

MONTREAL.—Allowing for the shorter working period, operations of the Canadian newsprint industry in November were on practically the same level as in October and for the second time this year ahead of the like month last year in respect to both output and shipments.

According to returns of the Newsprint Service Bureau and the Newsprint Association of Canada, Canadian mills turned out 256,336 tons last month. This compares with 259,336 tons in October and 21,147 tons in November last year.

Shipments from Canadian mills aggregated 260,590 tons, or about 1,000 tons less than in the preceding month, but 5,000 tons more than in Nov., 1942.

A breakdown of shipments for last month shows that deliveries to the Canadian market at 16,621 tons remained practically unchanged. American publishers took 219,873 tons, a figure almost identical with that reported for October, but 8,000 tons under the 1942 returns. Deliveries overseas totalled 24,096 tons, a decline of about 1,000 tons from October, but more than double the Nov., 1942, shipments.

Newfoundland's two mills reported an improvement, production totalling 26,853 tons, up from 24,423 tons in October and 20,496 tons in November last year.

Improvement in the shipping situation is seen in the fact that Newfoundland exported 29,070 tons last month, a gain of nearly 200% over October and nearly 1,500 tons above Nov., 1942.

The trend with American mills was much the same, production amounting to 66,465 tons, up from 63,470 tons in October but down from the 75,065 tons produced in Nov., 1942.

Shipments from the American mills last month aggregated 67,490 tons, or about 4,200 tons greater than in the preceding month and some 9,000 tons less than in Nov., 1942.

Brokers' Loans Lower On Montreal Exchange

Member firms of the Montreal Stock Exchange and Montreal Curb Market reported collateral loans at Nov. 30 totalled $8.2 millions, a decline of over $600,000 from the previous month's total. Compared with Nov. 30 returns a year ago, however, current loans are some $3 millions greater.

McColl Named Manager Of Montreal Loan Co.

G. A. McColl has been appointed manager of the Montreal Loan & Mortgage Co., replacing R. A. Kydd, managing director who retires from the company as of Dec. 31 next. With Mr. Kydd's retirement, the number of directors will be reduced from 6 to 5.

Volume of trading on the Montreal Stock Exchange and Montreal Curb Market continued its upward trend with 423,508 industrial shares changing hands during November. This compares with 395,197 shares in the previous month and 245,553 shares during Nov., 1942.

Every Buyer of Printing Must Have a

PERMIT

According to Wartime Prices and Trade Board Order Number 332, which became effective December 1, 1943.

That the threatened shortage of pulpwood is very real is apparent to all now that the mandatory order restricting the supply and use of printing and printing matter has become law. Under the order, every buyer of printing, who has bought in the past year, or who intends to buy more than 5 tons of printing or printing having a dollar value of more than $2,500.00, must secure a permit. In general the order prohibits the use of paper for sales promotion. Quotas for permitted essential printing may be reduced if found necessary.

Why It's BEST to Apply For a Permit by Weight

UNDER the new order, buyers of printing are granted the choice of purchasing those classifications of printing permitted by the order, on a weight or dollar value basis. Buyers of printing will serve themselves best by applying for their permit on a weight basis rather than on a dollar value basis. When permits are on a tonnage basis they allow the buyer to maintain normal required quantities, provided lighter weights or smaller sizes are specified. If this plan is followed, permitted printing requirements need not be affected materially by the order. At the same time, the purpose of the order — to preserve a sufficient supply of wood fibre to meet essential military and civilian requirements — will have been served.

Ask your printer to help you make out your permit application. He can be of great assistance to you now — and later in advising you the best way to order your printed matter. He knows the kind of lighter weight papers that best suit your particular printing job. He knows how to process and use paper of every kind to give you the best results. He can help you design for smaller sizes with negligible loss of effect. In the face of this new order his advice is invaluable. He'll be pleased to co-operate. Plan to call him — TODAY.

HS-344

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RESIN GLUE
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One of the great industrial advances of this war has been the discovery of a synthetic resin, used as a glue to bond thin layers of plywood, which made possible and practical the construction of aircraft fuselages, wings, and other parts stronger than the same weight of metal. "Plaskon" urea-formaldehyde resin glue sold by C-I-L is impervious to moisture, bacteria and fungus. Its wide and successful use in aircraft construction, today, suggests hundreds of post-war possibilities in better furniture, home construction, speed boats, helicopters. Now on allocation.

C-I-L Plastics Division supplies to plywood and wood working industries "Plaskon" resin glue and to moulders and other users superior plastics for many purposes. Enquiries are invited for post-war development.

Write for the brochure entitled "Plaskon Resin Glue, Adhesive Extraordinary" to C-I-L Plastics Division, Room 1005, Confederation Bldg., Montreal, Que.

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C-I-L SUPPLIERS OF PLASTICS IN WIDE RANGE FOR MOULDERS AND FABRICATORS

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YOU CAN'T BUY A BETTER Cigarette

Want Motor Law Tightened

Would Make Financial Responsibility Requirements Stiffer

Provincial financial responsibility laws affecting motorists are due for revision, insurance men and some of those connected with the administration of the present laws contend.

It is now 13 years since Ontario, pioneer among Canadian provinces, enacted its first financial responsibility law. While there have been a number of amendments, the act in the main is not greatly changed.

In the meantime, and up to the outbreak of war, motoring conditions had changed. Now it is argued the whole act should be reviewed and strengthened. Some feel this revision should be postponed until after the war; others say there is no need for delay. Most interested parties agree study of the whole situation should be undertaken as soon as possible to permit legislation either now or immediately after the war ends. In Manitoba a civil service committee has been studying the matter to recommend certain legislative amendments to the Highway Traffic Act.

In Most Provinces

Financial responsibility laws are the means used in all Canadian provinces, except Quebec, and in many of the United States to provide compensation for innocent victims of motor accidents and guard against the infliction of loss by financially irresponsible motorists.

They are one of three methods suggested for the same purpose: compensation laws; compulsory automobile insurance; financial responsibility laws. These are not primarily safety measures although often the two are confused. Experience with financial responsibility laws, however, has shown that they have an important effect as safety measures.

New York Law

In Canada attention has been directed recently to the New York Safety Financial Responsibility Law which put teeth into previous legislation enacted in 1929. The Ontario act and others based on it were very similar to the original New York law.

It is now suggested that revised legislation in Canada should follow the lines of the New York bill although authorities state that in some ways Ontario legislation goes further than anything in any of the states.

Some months ago, J. J. Robinette, K.C., at the request of the All Canada Insurance Federation, prepared a report on the problem of providing compensation for victims of motor accidents with particular reference to compulsory insurance and the financial responsibility of motorists. Stating that the New York law contains many provisions similar to the usual financial responsibility law and is thus comparable in many respects with the Ontario law, Mr. Robinette notes certain important differences between the old New York act and the new. Chief of those he notes are that the new act provides:

1. Apart from other suspensions, for the suspension of driving privileges and the filing of proof of financial responsibility when the driving record of the person warrants it.

2. For the suspension of driving privileges of all those involved in any accident involving death of, or personal injury to, persons or property damage apparently in excess of $25; and the giving of security to answer any judgment which may be recovered and the filing of proof (there are certain limitations on this requirement later mentioned).

3. It requires proof (of financial responsibility) to be maintained indefinitely instead of being limited to three years.

4. It prohibits the transfer of a vehicle, where suspension has taken place, to the name of any other person unless the Commissioner of Motor Vehicles is satisfied the transfer is not for the purpose of defeating the act.

5. It requires the filing of a written report of all accidents which give rise to suspension as noted in No. 2 above.

Mr. Robinette states the important difference between the Ontario and the old New York law and the new New York law is with regard to the security and proof required following accidents. By section 94e, of the New York Act, not less than ten days nor more than 45 days after receipt of the notice or report of an accident which has resulted in bodily injury or death or in damage to property exceeding $25, the commissioner must:

"Suspend the license of any person operating and the registration certificate of any person owning a motor vehicle . . . involved in the accident unless the operator or owner or both have previously furnished or immediately furnish, sufficient security to satisfy any judgment for damages resulting from the accident which may be recovered against the owner or operator by any person aggrieved and unless the owner or operator or both immediately furnish and thereafter maintain proof of financial responsibility in the future."

The requirement of furnishing security is waived if it is shown that the owner or operator had insurance up to a certain limit in force covering bodily injury or property damage. If the person who is involved in the accident is a nonresident of the state, his right to operate is suspended until he complies with the law. The security where ordered is in form and amount as the Commissioner requires but not exceeding the usual limits of liability in a motor vehicle liability policy. The security when furnished is applicable only to the payment of a judgment rendered in the state against a depositor for damages arising out of the accident.

Suspension Continued

In the act as first passed once the suspension went into effect it remained until the security and proof were filed, or the person obtained a release or judgment in his favor or satisfied any judgment rendered against him. If no suit were brought within one year of the accident the Commissioner could release any suspension provided proof was filed.

This was found to be unsatisfactorily drafted, and at the 1942 session of the state legislature, it was amended. The new provisions require the suspension to continue in force unless the person files security and proof or obtains a release or judgment in his favor or satisfies any judgment rendered against him and gives proof.

There is a provision, however, which specifies that, whether or not the person has furnished security and proof, he will be relieved from proof if one year has elapsed since the date of the accident and he has neither paid nor agreed to pay, anything for damages resulting from the accident and no action has been brought, or if an action has been brought it resulted in judgment in his favor.

Unauthorized Operation

The requirement of proof and security does not apply to an owner when the car is in the possession of a driver without his consent. In 1942 this was extended to exclude the operation of the requirement when either the operator or the owner of a car were involved in an accident in which no damage or injury was caused to other than the person or property of the owner or driver.

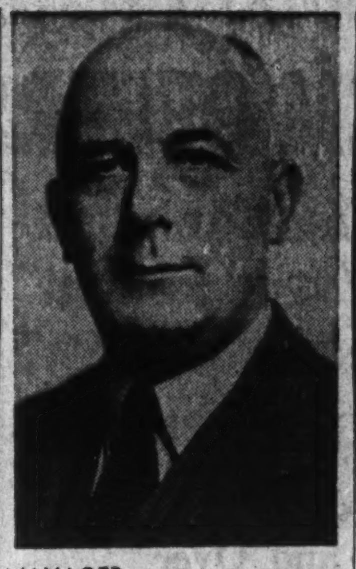
Change Ontario Act

One suggestion made is that section 81 of the Ontario act should be amended to bring it more closely into line with section 94e of the New York Act outlined above. At present section 81 of the Ontario act "permits" the Minister of Highways to require proof of financial responsibility and to suspend permits and licenses in any case where, in his opinion, the motorist has been wholly or partly responsible for an accident involving bodily injury or damage to property in excess of $100.

Section 94e of the New York act "requires" the suspension of licenses and permits upon receipt of a report in advance of any investigation of responsibility of an accident involving bodily injury or death or damage to property in excess of $25 unless the motorist has heretofore proved his financial responsibility or can show he is insured.

Originally the New York law practically prohibited transfer of an automobile when the license of the owner or driver had been suspended. This was found to be too drastic and was modified to be very similar to that in effect in Ontario. This prohibits any transfer unless the Minister of Highways is satisfied the transfer is being made in good faith and not to defeat the purposes of the act.

Mr. Robinette lays great stress on the work that can be done by education of the public as to the effect of the financial responsibility laws. Too frequently, he says, such laws have been placed on the statute books and no real publicity given them. In Ontario, where a good deal of publicizing has been done, the estimated number of insured cars has risen from 30% in 1930 to 50 to 55% in 1942.



MANAGER

Frank C. O'Brien has been promoted to general manager of Burlington Steel Co., Hamilton, H. J. Stambaugh, president, announces. Mr. O'Brien has been with the company since 1919, sales manager since 1937 and a director since 1939. Mr. Stambaugh has been filling the dual position of president and general manager.

The British Empire Assurance Company

NOTICE is hereby given that The British Empire Assurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto this 29th day of November, 1943.

C. R. MORROW,
Secretary.

The North River Insurance Company

NOTICE is hereby given that The North River Insurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 29th day of November, 1943.

K. THOM,
Chief Agent.

Over $100,000,000 invested in the Dominion

At present the New York Life's investments in Canada exceed $100,000,000, largely in Dominion of Canada Government Bonds.

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When you make your plans for the new year take time to call in the representative of the Great American Group and review your insurance coverage. You may find that wartime shortages and changing values have made your insurance inadequate.

Make your insurance premium really work for you. When insuring with Board Companies like these of the Great American Group — your premium dollar not only buys protection against financial loss — but helps to prevent fires through research and development of protection devices.

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Langley's Ltd. shows a drop in earnings during the last four months, reports S. R. Mackellar, president, who states "The outlook is unfavorable for dividend payments during at least the first part of 1944." Unusual operating difficulties were encountered, as result of government orders. Delivery service was curtailed and six out-of-town branch stores closed because of gasoline shortage. Scarcity of labor and completion of government work also contributed to the drop in volume.

United States Fidelity & Guaranty Company
TORONTO

NOTICE

Notice is hereby given that the Security Insurance Co. of New Haven has received Certificate of Registry No. C. 889, authorizing it to transact in Canada, the business of water damage insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

JOHN J. KILGOUR,
Manager for Canada.

NOTICE

Notice is hereby given that the American Insurance Co. has received Certificate of Registry No. C. 902, authorizing it to transact in Canada, the business of water damage insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

JOHN J. KILGOUR,
Manager for Canada.

Notice is hereby given that the Glens Falls Insurance Company has received Certificate of Registry No. C880, authorizing it to transact in Canada the business of Water Damage Insurance, in addition to the classes for which it is already registered.

GEO. B. KENNEY,
Manager for Canada.

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The valiant armed forces of this Nation need the fullest support from behind the lines. The Portage Mutual, with 59 years of achievement in helping to build and maintain Canadian economic strength, stands on a solid foundation and is serving faithfully by providing sound insurance so necessary to the war effort at home.

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The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.

PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON

Tire Dearth to Continue Another 18-24 Months

Polymer Corp. President Has Faith in Ability of Researchers to Lick Synthetic Rubber Kinks But Holds Natural Rubber Still Wanted

Dearth of tires will last for the next 18 months to two years but some steady improvement can be expected in the meantime, R. C. Berkinshaw, president of Polymer Corp. and vice-president and general manager of Goodyear Tire & Rubber Co. of Canada, recently told the annual meeting of the Automotive Transport Association of Ontario.

He said that Canada's synthetic rubber program, and Polymer's $50 millions plant at Sarnia, was fast coming into production. It is expected to be operating at full capacity of 34,000 tons Buna S and 7,000 tons of butyl rubber annually, early in 1944.

Greatest drawbacks to the use of synthetic are lower elasticity and lower elongation; one of its good points, resistance to abrasion, Mr. Berkinshaw said. Heat had been a problem in truck tires even when natural rubber was used and synthetic "definitely does not stand up under truck speed and loading as well as crude."

Some new and thinner tread designs had offered improvement but tread cracking, separation, tread cutting and blowouts still were showing up in current tests. "The problem is far from being licked and for some time to come an allowance of about half crude to half synthetic in the larger truck tires will help overcome some of the difficulties."

Mr. Berkinshaw was cautious on future costs. "I do not believe anyone is yet prepared to say what the future cost to the consumer will be; much depends on developments rapidly taking place and there is the factor of government price control."

Future Uncertain

Although the postwar place for synthetic rubber still was a question for conjecture, Mr. Berkinshaw offered the following indicators:

1. Quality is uncertain as compared to quality of crude but future efforts of researchers are not to be under-rated;

2. Price of 20-25c. lb. is talked of but crude could easily sell in this country in a fair market at 12-14c. lb., has sold as low as 3c. lb.

3. Although the public is unwilling to risk dependence entirely on imported crude it isn't likely, in view of international trade considerations, that Canada will buy or use no crude rubber in the future;

4. Probability is that both crude and synthetic will be used, each as superior for certain lines of products.

Mr. Berkinshaw closed with a plea for careful conservation of tires under seven rules for drivers. "Unless these are made to last and last and last, there will certainly be a breakdown of essential truck services."

Newsprint Operations Record Minor Change

Canadian newsprint mills operated at 69.2% of capacity during November. This contrasts with 70.6% in November last year and is the lowest figure reported since last June.

Ratio of shipments to capacity at 70.4% in November held above the monthly average for the year to date, but is slightly under the 71.7% reported for November, 1942.

Business Insurance Claimed Important Wartime Need

Business insurance is a means of replacing a man's value to his business and the value of his business to his estate, Irvin Bendiner, told the Life Underwriters Association of Toronto at their December meeting last week. Mr. Bendiner is connected with the New York Life at Philadelphia.

The present, when keymen are so greatly needed in industry, he explained, presents a great need for protecting industries against the death of their executives.

Business insurance he declared, by providing a fund when a keyman dies, cushions the shock of his loss on the company. It might also protect his family from hardship by enabling the company to buy out the dead man's interest without having it thrown on the market to go to the first bidder.

National Retailers Mutual Insurance Company

NOTICE is hereby given that the National Retailers Mutual Insurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 6th day of December, 1943.

VANCE C. SMITH,
Chief Agent.

The Imperial Guarantee & Accident Insurance Company of Canada

NOTICE is hereby given that The Imperial Guarantee & Accident Insurance Company of Canada has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 29th day of November, 1943.

C. R. MORROW,
Secretary.

Camden Fire Insurance Association

NOTICE is hereby given that the Camden Fire Insurance Association has received Certificate of Registry No. C. 920 authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 13th day of December, 1943.

JOHN B. ALEXANDER,
Chief Agent for Canada.

Automobile and General Casualty Insurance

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READY NEXT MONTH

The Annual Dividend Record

The valuable annual edition of The Financial Post Corporation Service Dividend Record will be published January 3, 1944. This Record gives complete information on dividends paid by Canadian public companies and will be of material aid to you — and your clients — in calculating income tax returns.

The annual edition records in the one place each 1943 dividend payment along with the date payable, record date and ex-dividend date, where it applies. An example follows:

The Steel Co. of Canada Ltd.
7% c part pf. ($25) Rate $3 pa Q
0.75 ... Feb 1/43 Jan 7-xd 6
0.75 ... May 1/43 Apr 7-xd 6
0.75 ... Aug 2/43 Jul 7-xd 6
0.75 ... Nov 1/43 Oct 7-xd 6
Paid: 1942—$3.00; 1941—$2.68¾
Ordinary (np) Rate $3 p.a. (Q)
0.75 ... Feb 1/43 Jan 7-xd 6
0.75 ... May 1/43 Apr 7-xd 6
0.75 ... Aug 2/43 Jul 7-xd 6
0.75 ... Nov 1/43 Oct 7-xd6
Paid: 1942—$3.00;
1941—$2.68¾+$2.00

Individual Copies — Individual copies of this useful permanent record of 1943 dividends may be secured at the rate of $1.00 for one copy and 50c. for each additional copy.

Year-Round Service — For those who require continuous dividend information, The Financial Post Corporation Service Dividend Record may be secured on a service basis at the moderate rate of $10.00 a year. This rate brings you a card each week giving new dividends declared and, at the first of each month, a cumulative booklet bringing all announcements to date into the one place. If you subscribe before the end of 1943 you will receive one copy of the January, 1944, edition as part of your service and may secure extra copies of that edition at the special subscriber rate of 25c. each.

Order Copies NOW!

The January, 1944, edition is limited. Send in your order now so that you may be sure of securing all the copies you need for your own offices and for distribution to clients.

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ENTERPRISE SYSTEM OFFERS GREATEST SCOPE

S. H. Logan, President of The Canadian Bank of Commerce, Says War is Fought For Freedom, Not Bureaucracy

S. M. WEDD, GENERAL MANAGER, REPORTS

Statement Shows Assets at Record Level — Over 1,130,000 Deposit Accounts and Over 200,000 Loans

60% OF LOANS INVOLVED $200 OR LESS

At the Annual Meeting of the shareholders of The Canadian Bank of Commerce, held December 14th at the head office in the City of Toronto, Mr. S. H. Logan, the President, after expressing confidence in a victorious outcome of the war and citing the part Canada is playing, expressed his belief in the system of free enterprise as best for this country after peace is restored. There were dangers in bureaucracy and socialism. Mr. S. M. Wedd, General Manager, presented the record for the year past, showing that the Bank had made progress and strengthened its position in the interval since last annual meeting. Mr. Logan addressed the shareholders as follows:

After four years of war we are told that we have approached the beginning of the end and that we can be justifiably optimistic as to the outcome of this, the greatest and costliest war in all history. There have been wars before on a scale then not deemed imaginable and each has brought a victory, but in this war, engaging all the major nations of the world, we must obtain a victory and a peace which will put an end to the spirit of militaristic aggression and lust of conquest which have so gravely imperilled the very foundations of our freedom and civilization.

Victory is now assured, but before it is finally achieved we may yet see battles on a scale much greater than in the past and encounter conditions and sacrifices more trying than any yet experienced.

WAR IN PERSPECTIVE VIEW

While it will remain for history to review the war as a whole in due perspective, we of the Allied Nations can at close range clearly perceive the earlier events and achievements which have made possible our fortunate position of today. First and foremost must be placed the valiant defence by the Royal Air Force of Britain in the crucial year when she stood alone, the unconquerable courage and endurance of her people, and the unshakable determination of her leaders, which alone constitute an imperishable epic in human history. Matched with these have been the heroism and devotion of the Allied Forces and Auxiliary Services which have fought and suffered to win decisive victories in Africa, Russia, Italy, the South Pacific, and on all the seas of the world. Notable in these tremendous events have been the heroic resistance and immense sacrifices of the Russian people whose valour and fortitude have won the admiration of the world and transformed what seemed certain defeat into a steadily progressive victory. Nor must we fail to note the humbler but no less authentic victories of millions of men and women over fear, destruction of their homes, and the desolation of their countries.

Behind the fighting services and the gallant seamen of the Merchant Marine, who faced the perils not only of the sea and storm, but also of the deadly submarine, has been the highly efficient organization of the Allies' vast economic resources for armament and supplies, coupled with the closest co-operation between political and military authorities and resulting in a unity of plan and action never deemed possible before.

Marshalled in support of the united war effort has been the full power of these physical resources of the Allied Nations. Although at times seeming slow to move, its impetus has increased until there is now poised and ready to strike against Germany and Japan and their remaining satellites a weight of overpowering armament about three times greater than can be commanded by the Axis—a weight which is increasing day by day against an opposing output which decreases rather than rises.

ALLIES' WAR PRODUCTION

The British Commonwealth of Nations has been and is producing nearly one-quarter of all the supplies and armament of the United Nations, exceeding the combined output of Germany, Austria and occupied Czechoslovakia. Of this great total the United Kingdom produces three-quarters, and of that share three-quarters is being sent abroad. This truly impressive accomplishment followed the daring move in 1940 of placing in the Mediterranean sector the only fully armored division then in the British Isles—a fighting force which gave the lead to the thrusts which resulted in the defeat of the Axis armies in that area. And it has been possible only by the almost incredible achievements of the Royal Navy in keeping open the sea routes to and from Britain.

Now the great production of the United States rolls on — war expenditures of $90,000,000,000 this year—a half of this in fighting machines and fighting equipment — guns, munitions, planes, tanks, motor vehicles, ships, etc. — enough to equip 10,000,000 men in their own services and furnish Lend-Lease supplies to Allied forces and civilians of $9,000,000,000 annually.

In Canada production of armament has not been as large this year as was at first projected. There have been excess accumulations of certain supplies, scarcity of materials, time spent on re-engineering resulting from simplified specifications and cost-saving devices, and in some areas labor shortages and unfortunate labor disturbances. Yet the national effort as a whole this year has on a vastly [illegible] tures of the Dominion of Canada for war purposes increasing by 40 per cent. to $3,947,000,000. Less than one-third of all Canada's war production is retained within her own borders. Her supplies go to every battle front, and the Royal Canadian Navy has assumed a sizeable share in the responsibility for protecting the vital North Atlantic sea-lanes.

CANADA'S METALS FILL NEED

Nor is this all, for even apart from munitions, lumber, foodstuffs wheat, bacon and other supplies Canada has furnished the armament industries of the Allies with 90 per cent of their nickel requirements, 75 per cent of their asbestos, 40 per cent of their manufactured aluminum and lesser quantities of their needs of such valuable minerals as mercury, zinc, lead and copper.

This production record of Canada is our own and we may speak freely and with pardonable pride of peacetime production converted to war needs. It is the work of Canadians, free people, whose initiative and application have set an example of wholehearted co-operation without the lash of force or the terror of a dictator. It has not all been done without hitches and delays, but manufacturers, large and small have met their problems and overcome handicaps, planned substitutes for materials impossible to obtain, and trained workers hitherto without any technical skill to make new products under unprecedented conditions. Plants before used for the manufacture of peacetime goods have been turned to making machines of war. Individual producers have made available their resources to fill the various needs and have met most wholeheartedly exacting demands upon them in the country's war effort.

ENTERPRISE MENACED

Such has Canada done as a nation at war. Despite these accomplishments, both of labor and the men by whose own initiative and under whose guidance have been built great enterprises and who have given the benefit of their years of personal experience, there is being fostered in some quarters an agitation against free enterprise, whether it be individual or corporate. These reflections are aimed to cast doubt, suspicion and prejudice against any business — first against the large corporations calling them monopolistic, but aimed also at any individual enterprise. Apparently distrusting all motives and capabilities except their own, those behind the movement advocate a new system under which all production, labor and distribution would be directed by them alone. They forget, or ignore, the advancements and achievements that have been made under an enterprise system. They overlook or gloss over the increases in production and the efforts to lower the cost to the consumer, to provide employment and generally to raise the living standards of all. They would accomplish their ends by so-called "planned economy," but call it what we may, the scheme would necessitate a great and continuous measure of regimentation of the Canadian people.

At the present time partial regimentation is being practised here through the various Orders of the Wartime Prices and Trade Board and by the War Industries Control Board, as necessary to guide and guard our war effort, and as such has met general acceptance. Nevertheless, the public do not take kindly to the interference with their freedom which results from these necessary controls. Surely in the face of the present demands for abolition of these controls at the earliest possible date after the war the public will not willingly and knowingly entertain any scheme which would impose greater restrictions upon them. It would seem that those who support a bureaucratic programme for Canada are doing so through a mistaken idea of the consequences.

DANGER TO ALL CLASSES

Any such programme demands thoughtful examination by every citizen, for however well-intentioned these proposals for bureaucratic control may be, they have elements of danger for all classes: farmers and other producers, manufacturers, tradesmen, professional people and wage-earners. The inevitable end of such a system is a form of dictatorship and domination of the national economy, with capital, production and labour committed to whatever ventures, whether economic or political, a few leaders may decide.

Efforts are being made to confuse the minds of the people with statements and inferences that private enterprise is nothing more than what is often referred to as "big interests," though these are mainly economical combinations of small interests. **Apart altogether from partnerships and corporations, our system of individual enterprise actually is made up of over 1,250,000 proprietors of business in Canada. These proprietors are the owners of farms, factories, mills, workshops retail stores and other small businesses. The interests of this great number of citizens engaged in enterprise on their own account as well as others, would be greatly endangered by permanent economic control, and they should not be deceived by the argument that complete socialism is feasible merely by control of key industries. Socialism cannot stop short of absolute control of every individual [illegible]**

DANGERS TO LABOUR

Labour, too, is a vital part of our existing system, and labour should not be misled into believing that its interests would be served better by any form of socialism based on a regimentation of the country at large. We need only to look at Germany to see what occurred when the Nazi party won political control and assumed complete domination over industry, dissolving all labour unions and setting up the Gestapo to enforce its ruthless Nazi policies. It is being argued here, of course, that government would be the sole employer of labour if it took over all production, but **the loss of labour's freedom to unionize and to bargain for better conditions wherever socialism or State capitalism has become dominant impelled one of the great leaders of the times, Mr. William Green, President of the American Federation of Labour, to give this emphatic endorsement of the free enterprise system:**

"If this country (United States) ever gets a system of governmental regimentation, labour will suffer most. Labour, therefore, is deeply interested in the preservation of private business and labour should everlastingly maintain that the owners and managers of business are entitled to a fair and just return upon their investments."

Similar views have been expressed by other leaders and staunch friends of labour.

CANADIAN BANKING SYSTEM

The most ardent supporters of governmental regimentation extend their arguments to nationalization of banking. So far, they do not claim that the Canadian banking system is inadequate or inefficient. Indeed, the arguments for nationalization are not quite clear, but apparently their theme is that our banks have some sovereign power over the credit of the country which should be in governmental hands. However, the ultimate prerogative of the national monetary policy is already vested in the Dominion Government's own institution, the Bank of Canada. The chartered banks have not the remotest chance of acquiring any of the powers of the Bank of Canada, nor have they the slightest desire to seek those powers.

It seems also that there persists among advocates of nationalized banking the idea that the chartered banks monopolize credit in some measure for the so-called "big interests." Moreover, it is implied that the banks control, partly or wholly, the "big interests," or that the "big interests" control them, erroneous assumptions since no bank, so far as we know, has any large stock holdings in any trading corporation, nor has any "big interest" any important holding in bank stocks. The banks of this country are owned by the public, the average holding being about 30 shares. The greater part of the business of our ten chartered banks, which are highly competitive, is directly with the general public through over 3,000 branches manned by staffs trained to render impartial community service, principally on their individual responsibility. In this Bank, for example, branch managers deal directly with fully nine-tenths of the borrowing transactions through their own offices, making thousands of loans each year to all classes of the public, manufacturers, traders, farmers, wage-earners and others. Again, to note the activities of this Bank, its Personal Loan Department, in addition to the above loans, in the last few years has lent about $64,000,000 to nearly 400,000 people, an average of $150 per loan. These loans have been made largely to pay debts beyond the obligants' ability to meet promptly from current income, to provide for the expenses of illness and to meet other emergencies which were not in sight when working out the family budgets.

Nationalization of the Canadian banking system would be monopolistic banking in the true sense of the word, for then all the banking business of the people of Canada would be under political control and each individual's account be subject to scrutiny by a representative of socialistic authority. Surely the millions of people who constitute the banking public — the four million depositors and the hundreds of thousands of borrowers—would not wish to submit to such results of nationalization.

FREE ENTERPRISE BEST ROAD

The people of Canada have the choice of two roads. One is paved with promises that a socialistic government—no matter how the result is to be obtained—can guarantee security and an abundant life for all from some imaginary source of wealth and well-being. Always this road has ended in economic disaster.

The other road is our present system of free enterprise. We do not say that it has been altogether smooth, and that no mistakes have been made by those who have followed it, but we do say definitely that it led to Canada's great progress. With the vast knowledge and experience which industry in general has gained in recent years, and the evolution of methods and understanding together with the new sciences discovered the present enterprise system is better equipped than any other to bring about greater employment, with improvement in the general welfare of the country.

We also say with strong confidence that this thoroughfare of enterprise is the only one that can lead to business expansion, full employment and better economic and social opportunities for all. It is the road that will be travelled by a free and happy people. We would remind those who may be influenced by talk of the magic of socialism that nationalization of industry does not ensure prosperity, as those who are sponsoring this theory would try to make it seem.

POST-WAR CONDITIONS

Much of Canada's prosperity comes from the export of her primary producers — the grain growers of the West, the livestock raisers, the miners of metals, the lumbermen, the fishermen and fruit growers — and after the war many more of our manufacturers. Because of this fact we must pay due regard to the needs and wishes of our buyers overseas. While it is true that in the war years Canada has risen from being the fifth largest exporting nation in the world to the position of the third largest exporting nation—being exceeded only by the United States and Great Britain—this result has been because our biggest overseas customer has been War. War is a wasteful consumer of goods in quantity; War demands only its own quality and pays whatever price is needed. To carry on our foreign trade after the war we must be prepared to meet the needs of world consumers in a highly competitive market, consumers who will make their own choice of goods and who will pay only the price that they can afford. The market for the kind of goods created during a war is no yardstick by which to measure a country's production and ability to sell in a peacetime competitive world. Make no mistake, Canada does not set the export price; that is determined by what the world is willing to pay for what we have to sell, and we must also buy from countries abroad if our export trade is to be maintained. The development of foreign trade—so essential to Canada—is not built up by governments (although they can, of course, give great assistance), but by intense individualism, personal exchange of ideas with the various countries and by enlightening and friendly contacts.

PROBLEMS TO MEET

When peace comes—and we cannot tell what form it will take, whether it will be an armistice with a period of gradual readjustment or whether it will be an abrupt ending which will demand of all of us speedy readjustment to peacetime needs—there is one thing of which we are sure, and that is that we must be prepared to make this period one of minimum uncertainty. Returning members of the Armed Forces must be absorbed into the routine of commercial life with well-planned efficiency. We may reasonably expect, after the first uncertainties, demands for civilian goods which will bring about a high degree of employment and generally active business. Impetus will be given by the demands for consumer goods in Canada which we have had to do without during the war years, and there will be further demands for rehabilitation both here and abroad. All this will mean that many of our war industries will have to be reconverted to the needs of a peacetime consuming public. Some of those now trained solely for war work will have to be retrained for peacetime operations, and to accomplish this smoothly there will be required a fine degree of co-operation between labour and management to ensure that both employers and employees will receive their due measure of return for the services which they render. Apart from our own needs at home, we will be required to assist in the rehabilitation of the devastated countries and the re-establishment of the homeless people in stricken Europe and the Far East who will need food, clothing, agricultural implements, breeding livestock, seed, lumber and other materials. Many of these countries were among our best pre-war customers and after rehabilitation will again become our valued customers and afford important markets for the surpluses of our primary products.

PERSONAL INITIATIVE NECESSARY FOR PROGRESS

We must remember that Canada's magnificent effort in this war has been due in large measure to the support and initiative of her million odd business enterprises. If political action is allowed to destroy or weaken that initiative, advancement of this country will greatly be retarded, and its natural virility tend to become decadent.

A grave warning from no less a person than the British Prime Minister, Rt. Hon. Winston Churchill, against bureaucracy was issued in these words, which we quote:

"We must beware of trying to build a society in which nobody counts for anything except the politician or official, a society where enterprise gains no reward and thrift no privileges. I say 'try to build' because of all the races in the world our people would be the last to consent to be governed by a bureaucracy. Freedom is their life-blood . . . We must expect taxation after the war to be heavier than it was before the war, but we do not intend to shape our plans or levy taxation in a way which by removing personal incentive would destroy initiative and enterprise."

Apropos of the British Prime Minister's remarks on thrift, surely the purchases by the public of War Loan bonds and other investments implies confidence that what a man saves will be protected and he will be allowed to keep.

There are still great opportunities in this country—as great as ever in the past—for people with initiative, ability and a progressive spirit. They must be free to go forward as the result of their own individuality and enterprise and feel that this war was fought to preserve that freedom and not to develop and build up a bureaucracy.

S. M. Wedd Presents Figures of Bank's Operations for 1943 and Shows Record of Successful Year

The Financial Statement now presented shows the aggregate assets of the Bank at $1,003,183,000, the highest in our history and representing an increase of $116,522,000 over the corresponding figure of the previous fiscal year. Cash reserves are $165,559,000 and total quick assets at $714,660,000 are equivalent to 75.10 per cent of the Bank's total liabilities to the public.

Our deposit account with the Bank of Canada and the amount of Notes of that bank on hand total $97,548,000, cheques on other banks $30,462,000.

Dominion and Provincial securities maturing within two years stand at $320,231. Of this amount $169,000,000 is represented by our proportion of the Certificates of Deposit of the Dominion Government which, as was mentioned last year, are sold to the banks to finance the requirements of the war in anticipation of revenues and funds from Victory Loans.

Other items of importance in our portfolio are our holdings of Dominion and Provincial government securities of longer maturities. These now stand at $147,473,000, an increase of $27,694,000 over last year.

Our total deposits now stand at $913,879,000, an increase of $121,319,000 over last year. This increase is made up principally of $65,648,000 in demand deposits and $50,611,000 in deposits bearing interest, the latter notwithstanding the very substantial investments which have been made by our customers in Victory Loan bonds.

RESERVES FOR LARGE DEPOSITS

It may be interesting at this time to analyze in a general way the make-up of the figures which have just been presented. In the first place we have 1,132,973 deposit accounts, of which 97 per cent. are accounts of individuals. In view of this, large number of accounts entrusted to the Bank which we operate solely on the direction of the respective depositors according to their needs, it is necessary for us to maintain large cash reserves, the first line of which is the Bank's holdings of notes of the Bank of Canada and the large balances which it carries at all times on deposit with that institution. Following this first line there is the large investment in the short and medium term securities of the Dominion of Canada. After this background of liquidity there are the Bank's loans to individuals and industry.

The Canadian banks are, of course, at all times anxious to develop their loaning business and in this way assist in the financing of the needs of agriculture, business and enterprise generally. In the past twelve months this Bank has made 201,697 individual loans to its customers and it might be mentioned here that of these over 60 per cent. were for amounts of $200 or less.

There is then the Investment in the Capital Stock of the Bank. There are 12,228 shareholders and of these 7,630 reside in Canada; the others almost entirely in Great Britain and the United States. The average holding is about 24 shares.

An examination of the figures which I have just outlined shows that while the assets of the Bank are large in the aggregate they mainly counterbalance the liabilities to a great number of individual depositors.

FINE STAFF RECORD

The integral and vitalizing factor in the production of our Balance Sheet is, of course, the staff of the Bank. In the past year the banking system, in addition to its already enlarged day-to-day responsibilities due to war activities, has taken on among other governmental services "coupon banking" for the Ration Board. With so many of our experienced officers in the services the pressure upon our senior men and women has been very heavy, and I personally am deeply appreciative of the splendid co-operation I have received from the staff in this my first year of office as General Manager. Our more experienced employees have had the responsibility of training many new ones and have accomplished the task with consideration and success. The young women who have joined our staff in these war years are also responding in a most conscientious and efficient way.

In the past year 323 additional members of the staff have joined the services, bringing the total up to 1,618. Of these 45 have given their lives for their country and we shall miss them deeply. I am sure you will join with me in extending to their relatives our sympathy.

With respect to our young men and women now in the services, we would like to add that it is our hope that they will soon be back in civil life and to say that our foremost thought is to see that employment is immediately available for them in the Bank.

BUSINESS CONDITIONS

The past year has set a new high record in industrial activity in Canada in response to the greatest requirements for war materials ever known. There have also been brought into operation the last of the newly-built plants and extensions undertaken in earlier years to provide facilities for the vast and well-rounded armament production that has made Canada the fourth largest arsenal among the United Nations.

On the other hand, the primary industries, agriculture, forestry, mining and fishing, all showed lower production records than in 1942.

General crop out-turns were nearly one-third below those of last year. Apart from the farm labour shortage, acute in some of the largest production areas, was the most unfavourable planting and growing weather in many years in Central and Eastern Canada.

Labour shortages account for a drop of about 15 per cent in forestry products and nearly 10 per cent. in minerals, although even sharper declines occurred in gold production and at some individual base metal mines.

As we all know, the shift from a peace to a war economy involves many complicated problems, but the readjustment from a war to a peace basis, which we have to face, presents even greater difficulties. This is because in the first place the shift to war production is a shift from production to meet varied and uncertain requirements of thousands of individual consumers to production to meet a concentrated demand for munitions of war, and, in the second place, because under the impulse of patriotic emotion people accept more readily the sacrifices and inconveniences involved. However, the smooth readjustment to peace conditions is hardly less important than the successful prosecution of the war and it can be achieved if we all work together with the same determined purpose that has characterized our outstanding national contribution to the successful prosecution of the War.

Stock Racketeering

Bogus Share Selling Traps Unwary Investor

Perhaps more daring than at any time since securities control was first introduced in Ontario, share-pushing sharpers, operating chiefly out of the Toronto area under impressive, respectable-sounding names, have taxed their brains and come up with a new one for the book—the bogus stock sale.

The fake sale trick, 1943 style, starts with the usual high pressure approach. Even though the victim rebuffs this approach, he is sent a "confirmation" of a stock purchase in his name.

Often the unwilling "purchaser" will object, and to force through his bogus sale, the high pressure artist will drop around with the information that since the stock was "bought," its price has gone up on the market, and the "purchaser" now has a profit. It takes considerable fortitude to turn down this paper profit, although the price increase is frequently fictitious and is almost never realized by the victim.

From the pressure salesman's point of view, the entire approach is highly successful. He nails a few prospects on the initial sales spiel. A few more fall for the fake confirmation and send in their money. The profit bait snares many of the remainder. The racketeer gets three chances at your pocketbook, and the law of averages works in his favor.

Miss R., a young lady who runs her own business in downtown Toronto, provides an actual case of how persistent and time-consuming certain self-styled brokers can be with these phony methods. Her experience, in her own words, is given below:

"The pamphlet entitled . . . . was mailed to me for about six months, then I received a telephone call from Mr. W. of . . . . & Co., Nov. 3, asking if I had received their mailings. I said I had but was not interested in buying stock. Mr. W. gave a very persuasive sales talk over the 'phone and despite the fact that I told him I was not interested he said he would buy me some shares in . . . . . Mines Limited at 10½ cents per share, and thereby make some money for me immediately. Again I told him I didn't plan to buy stocks.

"Mr. W. called at my office with literature on . . . . Mines about half an hour after our telephone conversation and said he had purchased 1,000 shares for me, and in that period (about half an hour) the stock had gone up ½c. a share. I told him definitely I did not want it and I did not give him the order. He said 'it hasn't cost you anything and you have already made $5.'

"The following morning a letter came through the mail (with a confirmation of purchase of shares). I phoned his office and Mr. W. was not in. I left a message that Mr. W. should not call me on the 'phone or come to my office and stated over the 'phone that I had definitely not given Mr. W. the authority to purchase stock for me. Ten minutes later Mr. W. called at my office and registered regret that I had not taken advantage of the offer he had made which would definitely make me some money. He cajoled and flattered me and during this process he made the statement that 'it was not high pressure.' But certainly every sales angle was covered, very persuasively . . . ."

Anti-Freeze From Wheat

(Contoinued from page 11)

light at present. Oils and other products obtained from them were badly needed in the war effort. This year the Dominion Government sponsored growth of these crops in the prairie provinces, especially Saskatchewan and Manitoba.

Saskatchewan produced nearly nine million lb. of sunflower seeds this year, Manitoba about 10 million. The average yield per acre was 600 lb. and 700 lb. respectively. At a Government-guaranteed price of five cents per pound, top quality seed, that netted Saskatchewan farmers $30 an acre, Manitoba farmers $35.

The average production of wheat per acre runs about 16 bus. At $1 a bus., the farmer gets a return therefore of only $16 an acre from his wheat. It is difficult to estimate what the proportion of profit on these two crops is. The wheat farmer may clear $8 or $9 per acre, probably more at the present Government-set price. Farmers got their sunflower seeds for about 12 cents a pound, sowed them at the rate of about eight pounds an acre, a total cost of around $1 an acre plus, of course, costs of seeding and harvesting.

S. H. Vigor, Saskatchewan field crops commissioner, says that sunflowers are no harder on soil fertility than the average grain crop. They do, however, require and use a great deal more moisture than grain, and therefore it is difficult to grow a good grain crop on fields that have grown sunflowers the year before. Sunflowers, it is generally agreed, have a good future as a subsidiary crop in western Canada.

Saskatchewan Industrial Development Board officials get quite hot under the collar when they talk about sunflowers, however. Of the nearly nine million lb. produced in 1943, about eight million lb. went East to be processed, the remainder going to a small plant in Saskatoon. Why, they ask, is it necessary to ship the raw materials to the East for processing, then ship many of the finished products back to the West for consumption? They want the processing done where the sunflowers are produced.

Rape seed comes in a different category. It was produced in great quantities, and quite cheaply, in Argentina before the war, and shipped to eastern plants for processing. It's a crop that grows well in the West, averaging about 600 lb. per acre in Saskatchewan in 1943, about 1,200 lb. in Manitoba. But agricultural people in the West feel that the Argentine rape will be able to regain its lost market after the war, because it is grown more cheaply in that country.

The soya bean, about which quite a bit is heard these days, is not believed to be suited to the prairie soil and climate. It flourishes in land suitable to corn, and the prairies have never been considered a "corn belt."

Erection of plants for the canning and dehydration of vegetables, and fruits as well, is also one of the projects looked on with favor in the West. There are several canning plants in Alberta irrigation districts, which apparently operate quite profitably.

Dehydration of products such as vegetables, fruits, milk and eggs seems to offer possibilities. An egg-drying plant at Saskatoon has been operating successfully for some time now.

A point to be noted is that such plants would work in with the development of the Prairie Farm Rehabilitation program of irrigation. George Spence, PFRA director, has stressed repeatedly that "all the vegetables and most of the fruits" can be grown successfully in Saskatchewan, and that they are of fine quality. He has proved it himself on his ranch in the Maple Creek area, and this fall took delight in presenting friends in Regina with plums he had grown on his farm, small, but of an excellent, sweetish flavor.

Irrigated land is adapted to the growing of specialized crops, such as beans and peas as well as many other kinds of vegetables. Canned and dehydrated in western plants, strategically located, the West could supply most of its own needs, probably have a lot of canned goods for export. With the present emphasis on providing the peoples of the world with adequate food supplies, western Canadians believe that these are possibilities which should be considered.

To the Holders of the 5% First Mortgage Debenture Stock and Bonds due December 31, 1959, of Algoma Central Terminals Limited

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Supplemental Trust Deed dated the 9th December, 1941, made between Algoma Central Terminals Limited, of the first part, The Royal Trust Company, as Trustee, of the second part, and James Alfred Goudge, C.B.E., and others, of the third part amending the Deed of Trust by way of mortgage and charge dated the 15th day of June, 1931, made between the said Algoma Central Terminals Limited, of the first part, and The Royal Trust Company, as Trustee, of the second part, securing £615,540 Five Per Cent First Mortgage Debenture Stock and Bonds of the said Algoma Central Terminals Limited, said Algoma Central Terminals Limited requires the holders of certificates of said Debenture Stock, who have not already done so, to produce either to The Royal Trust Company, Montreal Registrar, 105 St. James Street, Montreal, Canada, or to Leslie R. Waller, London Registrar, 117 Old Broad Street, London, E.C. 2, England, their certificates for the purpose of attaching thereto a Statement of Amendments affecting the said Debenture Stock and Bonds and the Trust Deed securing same and requires the holders of said Bonds, who have not already done so to produce to either of said Registrars their Bonds with unpaid coupons attached for the purpose of attaching thereto said Statement of Amendments and replacing the original unpaid coupons with a new set of coupons providing for payment of interest in accordance with the provisions of Clause 2 of said Supplemental Trust Deed.

NOTICE IS ALSO HEREBY GIVEN that pursuant to the 1941 Arrangement fixing the payment of arrears of interest on the said Debenture Stock and Bonds of this Company, the instalment of interest payable on 31st December, 1943 (being the interest originally due 31st December, 1934, with nine years' interest thereon), will be paid as follows:

Cheques will be mailed to Debenture Stock Holders on 29th December, 1943; in England, to those on the London Register, and in Canada to those on the Montreal Register.

No transfers will be registered from 10th to 31st December, 1943, both days inclusive.

In the case of Bonds original unpaid coupons, other than Nos. 1 to 5 inclusive, will not be honoured. New Coupon No. 7 (replacing original Coupon No. 7 and adding to the face amount thereof accrued interest of 45% thereof) will be paid on 31st December, 1943, at the chief office of the Bank of Montreal in London, England, in sterling, or at the holders' option at the chief office of the said Bank of Montreal, Canada, in Canadian Dollars at the rate of exchange of $4.8665 to the pound. The Company will not pay interest on said coupon No. 7 after 31st December, 1943.

Original coupons Nos. 1 to 5 inclusive with accrued interest of 45% of the face amount thereof became payable as follows:—

Coupons 1 and 2 on June 30, 1941.
Coupon 3 on December 31, 1941.
Coupon 4 on June 30, 1942.
Coupon 5 on December 31, 1942.

And new coupon No. 6 (replacing original coupon No. 6) became payable on June 30, 1943. The Company will not pay interest on said coupons after their said respective payable dates.

All payments in London will be subject to deduction of 10 shillings on the pound for British Income Tax. Payments to debenture stockholders resident in Canada registered on either register will be subject to 7% deduction for Canadian Income Tax.

DATED at Sault Ste. Marie, Ontario, this 6th day of December, 1943.

ALGOMA CENTRAL TERMINALS LIMITED,
G. S. SAUNDERSON,
Secretary.

Christmas 1943
And still the Flags of Freedom Fly

Greetings to all our friends who are always assured of a warm welcome at this hotel.
GROSVENOR HOUSE
PARK LANE — LONDON W. 1. — ENGLAND

ANOTHER wartime Christmas and the labour shortage still acute. That means a limited supply of Simon's Havana Cigars. Though the quantity is limited the same high quality is maintained.

Simon's Havana Cigars
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War Adds To Work Of Banks

Revenues From Services to Government Little Above Costs

By D. G. MACLEAN

War has brought much extra work to the chartered banks. There is not only a much larger volume of ordinary banking business due to the war but also extra duties such as ration coupon banking, handling of milk subsidies, distribution of Victory Bonds to investors, safekeeping of investors' Victory Bonds and war savings certificates.

For most of these services the banks are paid. But the scale of payment is moderate and in some cases is said to be not sufficient to cover the over-all costs, let alone allowing any substantial profits.

Take the increased volume of ordinary banking business due to the war. Much of this is straight work for the government. War has brought a tremendous increase in the volume of government purchases, government payrolls, etc. In many cases these are paid by cheque which, under section 9. of the Bank Act, must be cashed by the chartered banks at par and without any charge. As they must all go to Ottawa the expense of clearing them is all the greater. The number of cheques cashed this way is estimated to run into the hundreds of thousands each week.

The value of this service may be estimated by the fact that ordinary customers of a bank are charged a fee of five cents for every cheque cashed over a certain number allotted in proportion to the size of the deposit account. Individuals also pay a minimum of 15 cents a cheque for exchange where an out of town account is involved, a charge which does not apply against Dominion Government business. With so much of the business of the country being done for the government, it is believed more than half the cheques going through the banks are handled without charge.

Ordinary banking work has also increased. Employment at a new high level means many people with bank accounts who never had them before. These all mean entries in the accounts for deposits and withdrawals, increased stationery, etc. In most cases a charge for cashing cheques is made and in some instances a charge for every entry in an account is now made, whether deposit or withdrawal.

Just how much revenue is derived from these charges it is impossible to say. The annual statements of the banks do not give any information as to the proportion of income derived from different departments. But it is believed service charges amount to a substantial sum in the total.

Another source of revenue arises from the functions of the banks as agents of the Foreign Exchange Control Board. By the foreign exchange control regulations, the remuneration of the banks was set at ⅛ of 1% on all transactions. Because the official rates of exchange on the American dollar are 10% to 11%, there is a misconception in the minds of some people that because the banks buy U. S. dollars at a premium of 10% and sell them at a premium of 11% they make the 1% in between. The fact is that the difference less the banks' commission of ⅛ of 1% goes to the Foreign Exchange Control Board. Under these circumstances the banks are sure of their commission, but are prevented from making any profit on their own account. Similarly they do not run the risk of any losses.

While some banks are understood to have made substantial profits in pre-war years from trading in foreign exchange, it is believed that on the whole their earnings from this source under the present regulations are higher than before. In any case they are understood to be substantial.

Another wartime source of revenue to the banks is commission on selling Victory Bonds.

Claims that the banks are paid too liberal commissions for selling and servicing Victory Bonds run counter to the recent statement of Finance Minister Ilsley that costs in the Fifth Victory Loan were under 90 cents per $100 par value of bonds. For services rendered most accept this as reasonable, recognizing that substantial costs must be incurred in raising billions of dollars through widespread sale of small denominations of bonds.

Another wartime job that has fallen on the banks is coupon ration banking, a job for which they receive an agreed charge. This is a big job with accounts having to be opened for every retailer customer in each rationed commodity. A scale of charges set in agreement with the government allows the banks a stated sum for opening each account and for all entries in and out of the account, cashing cheques, etc. It is understood the scale of charges was worked out by the banks on the basis of the work actually done according to the proportion of each individual's time spent on coupon ration banking. It is claimed that, if the cost of stationery, light, rent, etc., were taken into account the result would show the work being done at less than over-all costs. Charges for handling the government milk subsidies and for safe-keeping investors Victory bonds and War Savings Certificates are believed on the same basis.

Dividends Reduced

On the whole the banks' gross earnings have been higher since the war began but the heavier taxes have taken more than the increase in earnings. Evidence of this was the reduction in dividends made by all banks but one last year.

Bank executives state that a large part of the revenue derived from wartime services is paid out to employees for extra work done. In some cases the claim is made that as far as revenue from extra wartime services is concerned it is not worth the additional trouble and responsibility.

B. C. Towns Establish Reconstruction Funds

Kelowna Sets Pace By Budgeting $100,000 For Postwar Projects While Other Municipalities Also Set Aside Reserves

From Our Own Correspondent

VANCOUVER—British Columbia municipalities are following the shrewd and forward-looking procedure of setting up reserves to meet costs of reconstruction after the war.

Kelowna, for instance, one of Okanagan Valley's prosperous communities, plans to spend about $100,000 after the war on various improvements. To this end it has recently set aside $25,000, and each successive year's budget will contain an item for the same purpose.

Cities such as Vancouver and New Westminster, behind in their sinking funds, are unable to make such provision, but are planning on extensive expenditure after the war in any event.

Vancouver has a $25 million postwar rehabilitation program now being worked upon by a technical staff. The proposed improvements, to be carried out step by step, are expected to meet the requirements of a vastly greater city over the coming half century.

One such project is construction of a long-discussed distributor street through the downtown area to speed traffic and avert present bottlenecks. Revision of street arrangements at the north and south end of Granville Street bridge to make way for a new $3.5 million high-level, double-decked span is also being carried out—on paper.

The distributor street, a 120-ft. thoroughfare, will cost about $2.5 millions and is regarded as one of Vancouver's most pressing needs.

Burnaby, North Vancouver, North Cowichan, Courtenay and other municipalities have started reserves similar to that established by Kelowna, and the movement is gaining headway. Burnaby set up $133,000 last year and added another $145,000 a few weeks ago.

It is realized that certain expenditures would normally be made on maintenance and new building, now necessarily deferred, and money put aside now will pay the bills when the jobs can actually be undertaken.

Creation of such reserves will save postwar taxpayers a tidy sum.

New sections in the Municipal Act make creation of these reserves possible. The first section permitted reserve funds for new works. They must be additional to normal operation and maintenance, and their spending must be approved by three quarters majority of the council with further approval of the ratepayers if needed. The second allows reserve funds for machinery and equipment, and must also be covered by by-law.

Thanks to increasing employment and higher earnings, most municipalities have materially improved their position in recent years. Taxes are being paid to the extent of 90% to 100% of the tax levy. During the last war B. C. municipalities were often considered fortunate if they met 50%. Penticton, it is recalled, made a double tax levy after the last war to catch up on its sinking fund.

Debts are now being paid off, whereas during the last war they accumulated in most municipalities. Bank loans fell off between 1938 and 1942 from $2.7 millions to $703,000. Unused borrowing power of B. C. municipalities has increased from $40 millions in 1938 to about 47 millions early this year. The latter value, however, is reduced to some extent by the fact that it is founded on land values, which may fall.

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Bank of Canada Assets Lower

Holdings of Sterling and Securities Down — Note Circulation Up

Declines in holdings of sterling exchange and government securities brought a reduction of $39 millions in the total assets in the Bank of Canada statement for the week ended Dec. 8. The drop in sterling probably represented funds turned over by the bank to the Foreign Exchange Control Board.

Reduction in assets accompanied declines on the liability side in Dominion Government and chartered bank deposits. Note circulation was slightly higher.

	Dec. 8 1943 $	Dec. 1 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circ. ..	852,156,808	845,658,443
Rest fund	6,472,953	6,472,953
Deposits: Dom.	52,021,995	65,917,302
Chartered bks.	327,151,809	363,955,093
Other	20,400,432	13,616,073
Total deposits ..	399,574,236	442,488,468
All other liabs.	21,150,798	23,887,497
Total liabs.	1,284,354,795	1,323,507,361
Assets		
In Sterl. & U. S.	13,959,066	38,634,316
Subsid. coin ...	90,388	129,625
Investments:		
Dom. gov. sh.	776,330,982	797,148,089
Oth. Dom. gov.	468,187,426	465,298,637
Total invest. ...	1,244,518,408	1,262,446,746
Premises	2,104,494	2,100,178
All other assets	23,682,439	20,196,486
Total assets	1,284,354,795	1,323,507,361

Toronto Stock Values Lower

Quoted market value of the 548 stocks listed on the Toronto exchange totalled $4.3 billions on Nov. 30, 1943, as compared with $4.6 billions $788 millions on Oct. 30, a decline of $357.6 millions for the month, but still showed a gain of $788 millions over the figures of Nov. 30, 1942, when the values were $3.5 billions, according to the monthly report by President W. G. Malcolm of the Toronto stock exchange.

"Of the 19 different groups under which the listed securities are arbitrarily divided by the statistical department," says Mr. Malcolm. "only four showed advances for the month, these being the miscellaneous industrials, gold prospects, amusement and milling company issues, and of these the only significant rise was in the miscellaneous industrials, the average price per share of the 30 securities in this category rising from $5.31 to $5.51 in the 30-day period."

The average price of all listed issues on Nov. 30 was $6.29 per share, as compared with $6.86 on Oct. 30 and $5.12 a year ago.

The report concludes, "that the average price per share of all issues listed on the exchange hit its low point for the war period to date at $4.74 on August. 31, 1942, and that the present figure is $1.55, or about a third above that level."

Better Qualifications Urged for Fire Agents

Survival of the agency system in fire and casualty insurance depends on the qualifications of the agents themselves, the abandonment of harmful rate cutting, and improved relations with the public, Frank Bliss of Hamilton, president of the Ontario Fire and Casualty Insurance Agents Association told members of the Ottawa branch recently.

Agents he said must keep up to date on their policies and be able to render expert service to holders. The incorporation of a federal body of insurance agents empowered to grant degrees indicating attainment of a standard of training, he believed would result in better qualified men.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

A. F. MAYNE, supervisor's department, Calgary, to be an inspector at head office.
K. M. SEDGEWICK, manager Truro, N.S., to be manager Halifax, N.S.
J. V. CORRIGAN, supervisor's department, Regina, to be manager, King and Spadina, Toronto.
B. STRATH, manager Brampton, Ont., to be an inspector, supervisor's department, Calgary, Alta.
D. S. CROSBY, manager, Dartmouth, N.S., to be manager, Wolfville, N.S.
A. S. HOPKINS, manager Spring Garden Road, Halifax, N.S., to be manager Summerside, P.E.I.
F. W. DOBSON, manager Smithers, B.C., to be manager Prince George, B.C.
J. V. Findly, to be manager, Cargill, Ont.
P. H. HOSKINS, accountant, Nelson, B.C., to be manager Burns Lake, B.C.
J. E. McARTHUR, assistant manager, Windsor, Ont., to be manager Brampton, Ont.
L. K. McLEOD, manager Burns Lake, B.C., to be manager Smithers, B.C.
S. G. MERRIAM, manager Summerside, P.E.I., to be manager Dartmouth, N.S.
A. R. SMITH, manager Wolfville, N.S., to be manager Truro, N.S.
W. G. TURNBULL, King & Spadina, Toronto, retires on pension.

The Bank of Nova Scotia announces the following staff changes:

E. G. RANKIN, to be manager Carp, Ont.
H. J. CLARKE, to be manager Somerset & Bronson, Ottawa.
R. W. McCAIN, to be accountant Coburg & Robie, Halifax.

The Bank of Toronto announces the following staff changes:

H. R. CLUFF, formerly manager at Bloor and Howland, Toronto, to be manager Oakville, Ont., in succession to W. A. McEvoy.
W. A. McEVOY to be manager Preston, Ont., in succession to J. L. Thompson.

Viau Ltd. reports to the Montreal Stock Exchange that 120 shares of the 5% 1st preferred stock have been retired, leaving outstanding 9,305 shares.

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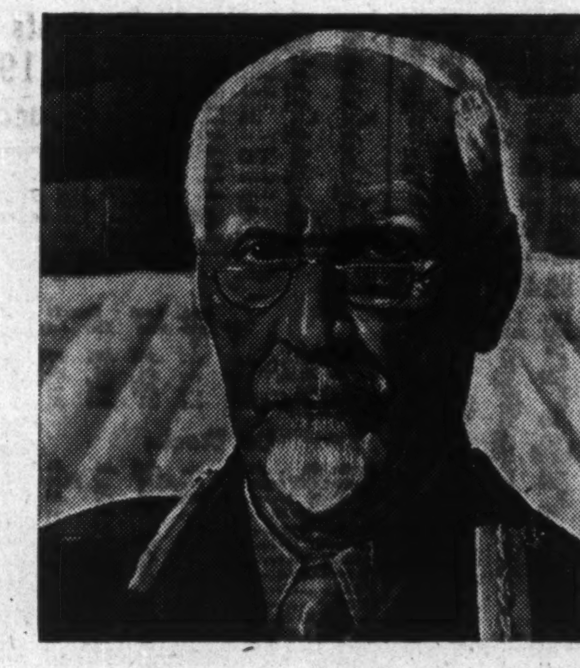
THIS IS MY FAITH

By General Smuts

A vibrant and challenging message from a statesman-philosopher who in the face of cataclysm and doubt believes the world is good. A truly great man reaffirms his belief in human nature and the dignity of man . . . General Smuts points out the mistakes of the last war and tries to draw a lesson for tomorrow. He defines the basic issues with remarkable foresight and clarity, and says that isolationism is dead. A timely and inspiring article in Maclean's.



FIELD MARSHAL JAN CHRISTIAAN SMUTS
Prime Minister of South Africa and member Empire War Cabinet

"This Is Smuts" — A remarkable personal interview arranged specially for Maclean's by William D. Bayles. Meet the man himself in his own hotel room, attired in sweater and house slippers. Share in his warm smile. Listen to his ideas about world peace. Discuss with him his philosophy of life.

ALSO IN THIS ISSUE:

A Surgeon Looks at Russia
What is the status of medicine under the Soviets? How does Russian hospital work impress a visiting Canadian doctor? Dr. Wilder Penfield of Montreal went to Russia as the Canadian member of an important surgical mission, the first non-political group to be invited to enter the Soviet Union in recent years.

Toronto's Caley Sisters Skate to Fame
Two Toronto girls enjoy top billing in Sonja Henie's ice show. Gordon Sinclair tells how they got to the top. Was it fun, or was it hard work? Do they follow the methods of professionals, or have they their own?

Road to Rome
A cabled report from Wallace Reyburn on the work of the Royal Canadian Engineers in Italy. A thrilling story of bridge building, mine detecting and road making — all under enemy fire.

Electron Magic
A postwar prophet tells of the wonders of tomorrow. The familiar vacuum tube from your radio, or something like it is going to heat your home, answer your phone and do hundreds of other chores in your electronic home in 194X. A Creighton Peet feature.

War Pigeons
Despite two-way radio, the carrier pigeon used by the Pharaohs and the Romans still has its place in warfare. Read how the uncanny homing instinct of this bird serves the allied forces today.

Lightkeeper's Wife
Would you prefer summer or winter as a lightkeeper's wife on the tip of lonely Belle Isle in the St. Lawrence Gulf? Would you like to wait two years for a dress after your order was placed? A human interest article by a woman who served for 14 years.

Beverley Baxter: "The Fifth Christmas" . . In the Editor's Confidence . . Backstage at Ottawa . . Cross Country . . Women's Page . . Wit and Wisdom . . Parade . . Thrilling Fiction.

BURMA— the Key to China

The recent Cairo conference has once again put Burma in the spotlight . . . What effect will the re-opening of the Burma Road have on the campaign in China? Can that heroic country long survive without victories to boost morale? An on-the-spot report cabled by Peter Burchett, Australian war correspondent who has just travelled the Burma front by air.

Suggestion: This Christmas buy War Savings Stamps and Certificates!

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DECEMBER 15 ISSUE ON SALE TODAY

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 13

[illegible]

Mining Stocks

Week Ending December 13

[illegible]

Oil Stocks

Range 1943 High	Low	Div. Rate $	Dec. 11 Yield %	Company	Sales	Last	High	Low	Close
.06	.02½	....	....	Homestead	5,500	.03½	.03½	.03½	.03½
.12	.05	....	....	McD. Segur	1,200	.07½	.07½	.07	.07
.08½	.05	....	....	Mercury	250	.06	.06	.06	.06
.24	.18½	....	....	Mid Contin.	59,500	.19½	.22	.19	.21
.09	.06	†.03	....	Mill City	100	.06	.06	.06	.06
.11½	.05	....	....	Nat. Pet.	1,000	.08	.09½	.09½	.09½
.07	.02⅞	....	....	Oil Select	1,500	.03	.03	.03	.03
.79	.38	....	....	Okalta	6,500	.65	.70	.65	.70
.09	.03½	....	....	Pacalta	29,000	.04	.05	.03½	.03½
1.25	.70	....	....	Pac. Oil R.	6,100	.75	.75	.70	.70
.53	.20	....	....	Pac. Pete.	500	.40	.40	.40	.40
.04½	.03	....	....	Royal Can.	1,000	.03	.03	.03	.03
26.50	19.50	1.00	4.6	Royalite	360	20.25	21.50	20.00	21.50
.08	.03½	....	....	South End	6,000	.03½	.04	.04	.04
.10	.04½	....	....	United Oils	2,000	.06	.06	.06	.06
.36	.09½	....	....	Vermilata	70,400	.14	.14½	.12½	.12½

* Yield including bonus. † Paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 14	8,100	4,000	307,000	......
Dec. 13	7,700	3,300	353,000	21,950
Dec. 11	9,600	2,900	159,000	12,902
Dec. 10	21,900	3,600	365,000	8,315
Dec. 9	14,800	10,000	371,000	14,150
Dec. 8	26,800	16,200	299,000	16,278

Government Bonds

(Supplied by Investment Dealers Assoc. of Canada)

Dec. 14, 1943

%	Due	Bid	Ask.
2	June 1944	100¼	101
1½	Sept. 1944	100	100¼
4½	Oct. 1944	102¼	103¼
2½	Nov. 1944	101	101½
2	Mar. 1945	100¼	101½
2	Dec. 1946	100¼	101
4½	Feb. 1946	105½	106½
2½	Mar. 1948	100¼	100½
1½	May 1946	99½	100¼
a2½	Jan. 1948	103	104
3½	June 1949	102½	103½
3½	Oct. 1949	101½	102½
a3	June 1951	102½	103½
3½	Nov. 1951	103½	104½
3½	Feb. 1952	104½	105½
3	Oct. 1952	101½	102½
4	Oct. 1952	106	107
a3	Jan. 1953	103½	104½
3	June 1955	100	101
a3	Nov. 1956	100	101
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
a3	Mar. 1954	101½	102½
a3	Jan. 1956	102½	103½
3	June 1958	99½	100½
4½	Nov. 1958	108½	109½
4½	Nov. 1959	109½	110½
a4	Oct. 1960	109	110½
a3½	Jan. 1961	104½	106
3½	June 1966	102	103
a3e	Jan. 1967	102	103½
a3e	Nov. 1968	102	103½
†3	Perpetual	94½	95½
Dominion Guarant'd Bonds			
Can. Natl. Railways:			
2½	Jan. 1946	100½	101½
3	May 1944	100½	101½
3	Dec. 1950	101½	102½
3	Jan. 1959	99	100
*4½	Sept. 1951	121½	123½
4½	Feb. 1956	126	128
*4½	July 1957	127½	129½
3	Feb. 1953	100½	101
4½	June 1955	127½	129½
5	Feb. 1954	116½	118½
*5e	July 1969	116½	118½
*5e	Oct. 1969	126	128
*5e	Feb. 1970	126	128
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	129	131
Grand Trunk Pacific Rly.:			
3	Jan. 1962	109½	111½
Provincial Gov't Bonds			
New Brunswick:			
4	Nov. 1947	111	114
3	Oct. 1951	98	100
3½	Aug. 1949	99	101
3½	June 1956	99	101½
4½	Apr. 1961	119½	122½
c5	Jan. 1960	124	127
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100½	102½
3½	Nov. 1950	103	105
c4½	Sept. 1952	115½	118½
c4½	Nov. 1960	124	127
c5	Mar. 1960	129½	132½
Ontario:			
2½	May 1945	100½	101½
3	Apr. 1948	100½	102½
3	Nov. 1950	100½	101½
3½	Nov. 1951	101½	103
3½	May 1955	101	102½
4	June 1962	120½	123½
4½	June 1950	108½	110½
*4½	Jan. 1962	127	130
*5	Oct. 1948	109½	110½
*5	Dec. 1960	133	136
*5½	July 1946	107	108½
Ont. Hydro Commission:			
3	Aug. 1948	100½	102½
3½	Feb. 1953	100½	102½
3½	Apr. 1947	103½	104½
Prince Edward Island:			
4	Mar. 1954	101	103½
Quebec:			
3	Nov. 1947	100	102
3½	Mar. 1948	100½	102½
3½	Mar. 1959	100	102
4	Nov. 1952	102½	104½
3½	Feb. 1955	102½	104½
4½	Aug. 1958	107	109
4½	Jan. 1963	111½	113½
Alberta:			
4½	Oct. 1956	81½	84½
4	Dec. 1954	80½	84
*5	Oct. 1959	82½	85½
c5½	Apr. 1952	83½	86½
6	Mar. 1947	83½	86½
British Columbia:			
4	Dec. 1957	115½	118½
*4½	Jan. 1951	118½	120½
c4½	Oct. 1953	119½	121½
c5	Apr. 1954	121½	124½
5½	Feb. 1945	102	104½
6	Feb. 1947	107	109½
Manitoba:			
c4	Dec. 1957	108½	111½
c4½	Dec. 1956	112½	115½
*5	Dec. 1959	118	121
5½	Oct. 1955	112	115
6	Apr. 1947	106½	109½
Saskatchewan:			
4	Sept. 1954	89	92
4	Nov. 1950	88½	91½
c4½	Oct. 1951	100½	103½
c4½	Mar. 1960	95½	98½
5	Aug. 1958	97½	100½
5½	Oct. 1952	99½	102½
6	Mar. 1952	101½	104½

*-Payable Can., N.Y., £. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. e-Callable at a premium. ▪Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 14, 1943

Industrial:	Bid	Ask.
Andian National	23½	25
Anglo C. Tel., A	8½	9½
Atlas Steels, c.	26½	28
Do., pref.	105	108
B. C. Pulp, c.	11½	13
Do., pfd.	69	74
B. C. Sugar	73	78
B. C. Tel., p.	112	..
Brown, com.	1½	2
Do., 6% pfd.	30	32
Burns & Co., A.	9½	11½
Do., B	5½	6½
Canada Tea, p.	40	..
Can. Indust., A	160	..
Can. Mach., p.	6½	8
Can. Ing. Rand	62	65
Can. Mot. L.A.B.	8	8½
Cap. W. Cloth, p.	18	20½
Col. Realty	3	..
Chase, A. W., p.	16	..
Colonial Steam.	62	66
Corr. Box, c.	1½	3½
Detroit Int. Br.	4½	..
Dover Ind.	8½	..
Dunlop T., p. $25	24½	25½
Edm. St. Yards	40	..
Federal Grain	..	3½
Do., pref.	74	78
Galt Brass, c.	12½	..
Goderich Elev.	11	11½
Guard. Realty, p.	18½	..
Gurney Fdy., p.	2	2½
Hart Battery	5	..
Hayes Steel, c.	13	15
High. Dairy, pf.	51	..
Ingram & Bell, p.	92½	..
Kingst. ship., c.	12	15
Loblaw Inc., c.	10½	11½
Minn. & Ont. c.	8	8½
Mt. Royal Htl., c.	3	..
M'row Screw, p.	100	..
Do., com.	14	..
Moirs, pfd.	40	..
Morrison Br. pd.	..	14
Neilson, Wm. C.	11	..
Do., *p.	101	..
N. Meth. Ldy., p.	76	..
Quinte Milk	2½	..
Prov. Paper, p.	99½	101
River. Silk. B	2½	..
Stand. Fuel, c.	1	..
Stand. Fuel, p.	66	..
Stedman, pf. $50	55	58
Sutton Horsley	..	1½
Tor. Carpet, c.	70	..
U. Stk. Yd. Sask. p	80	..
Un. Steel, A. pf.	22½	23½
Viceroy Mfg., c.	17	22½
Do., pref.	24	28
West. Grain, pfd.	29	33
Trust & Loan Stocks:		
British Mtge.	125	133
Capital Trust	28	32
Comm. Fin., c.	7½	8½
Eastern Tr.	150	..
Grey B. Tr. $50	45	..
Guelph & O. $50	49	55
Indust. Mtge.	25	30
Lambton Loan	35	40
Lond. & W. Trust	37½	..
Midland Loan	14	17
Montreal Tr.	65	..
N. S. Trust	143	..
Premier Trust	38	40
Royal Trust	65	..
Sherbrooke Tr.	120	..
Sterling Trust	56	..
Trusts & Guar.	37	40
Victoria Trust	73	80
Waterloo Trust	100	105
Insurance Stocks:		
Brit. Amer.	50	..
Canadian Fire	72	..
Canada Life	350	..
Confed. 30% pd.	125	133
Continental L.	..	31½
Crown Life	241	260
Dominion Fire	133	138½
D. of Can. Gen.	125	140
Dom. Life	175	..
Empire, 25% pd.	6½	..
Excelsior 40% pd.	78	84
Great-West Life	250	..
Halifax Fire	14	16½
Imperial Life	250	265
Manufac. Life	245	..
Monarch 20% pd.	35	40
Maritime Life	20	..
National Life	10	15
Sov. L. 25% pd.	15	20
Sun Life	315	350
Tor. General	4	5½
Western Assce.	43	47
Do., pref.	41	45
Western Life	11	..
Investment Trust Shares:		
Deb. & Sec., pf.	75	..
Th. Can. Iv. Tr.	2½	3
Theatre Stocks:		
Allen's St. Cath. units	62½	..
Do., Kingston	64	70
Do., Toronto, p.	34	..
Para. Kitch., p.	48	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	85	..
Power Issues:		
Can. W. Nat. Gas	29	..
Do., pfd.	104	..
Gt. Lakes Pr., p.	111	..
N. B. Tele.	12	13½

Unlisted Mines

Toronto, Dec. 14, 1943

	Bid	Ask.
Alba River (new)	.11	.12
Aljo	.30	.34
Algo Cop	.15	.20
Dack Crk	.11	.12
Demp Cad	.03	.04
Detomac	.29	.34
Der R L	.17½	.19
Legardo	.11½	.13
Magn Con	.26	.28
Marbenor	.16	.18
Mar Bird	.05½	.05½
Mat Con	.14	.16
Orpit	.04½	.05
Pascalis	.33	.35
Pelangio	.06½	.07
Pontiac R (old)	.10	.12

[illegible]

Oil Royalties

Producing Wells — Prices and Payments

[illegible]

§ Approximate. † Testing. ▪ Ontario Acreage Royalty.

Wheat Prices

Winnipeg Grain Futures

Week of Dec. 13, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Dec. 13
Oats*					
.51½	.51½	Dec.	.51½	.51½	.51½
.51½	.51½	May	.51½	.51½	.51½
Barley*					
.64¾	.64¾	Dec.	.64¾	.64¾	.64¾
.64¾	.64¾	May	.64¾	.64¾	.64¾
Rye					
1.19⅞	.90⅞	Dec.	1.19⅞	1.16¼	1.19⅞
1.21⅜	.92⅛	May	1.21⅜	1.16½	1.21¼
1.19¾	1.08½	July	1.19¾	1.15⅛	1.19⅝

* At ceiling.

Cash Quotations

	For Week Dec. 13, 1943 High	Low	Prev. week High	Low
Oats*:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.19⅞	1.16¼	1.16	1.15

* At ceiling prices.

Significant Investors' Index Numbers

	Mach and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	14	8	18	94
*1935 to date: (Base 1935-39=100)												
High	134.5	234.4	149.7	123.7	135.7	118.3	150.0	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
April	100.8	79.6	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4	82.8
May	104.0	89.3	91.6	67.9	119.9	88.7	128.1	91.4	101.0	80.5	106.2	83.7
June	108.6	94.7	96.0	73.2	124.0	89.4	133.5	93.1	111.1	81.4	111.1	88.3
July	110.5	106.8	94.1	84.9	126.0	91.5	137.9	94.5	111.3	81.7	112.4	91.6
Aug.	109.4	104.8	92.2	83.1	125.9	93.4	138.0	93.3	109.0	82.7	109.5	89.9
Sept.	111.4	104.7	91.9	83.5	126.1	93.4	138.5	92.6	110.8	82.8	110.3	89.3
1943: Weekly Figures:												

[illegible]

Toronto Stock Exchange Index

[illegible]

Montreal Stock Exchange Averages

[illegible]

STOCKS NOT TRADED THIS WEEK

[illegible]

Oil Stocks

	Div. rate	Last sale	Dec. 13 Bid	Ask
Madison	...	.02	..	.03
Marjon	...	.01	.00½	.01
Marvel	...	.01	.01	.05
Model	†.02	.25	.21	.26
Nordon	...	.05	.05	.07
Petrol Oil & Gas	.02	.20	..	..
Royal Crest	.01	.01½	..	..
South West Pete.	...	.27	.24	.35
Spooner	...	.07	.06½	.10
Sunset	.02½	.07½	.07½	.08
Vanalta	...	.07½	.07½	.08½
Vulcan	...	.20	.18	..

† Paid in 1943.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.55	$11.47	$10.75
Hogs	17.10	17.10	16.55
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1998	.2001	.2038
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.8	102.6	100.1
Dow Jones (fut.)	95.64	94.55	86.27
Fishers'	111.4	111.1	108.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Sept.)	119.4	119.2	117.4
W'sale (Sept.)	101.2	100.4	95.8
U. S. (Sept.)	103.1	103.1	99.6
Gr. Brit. (Aug.)	162.2	164.0	159.0

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

Municipal Bonds

Dec. 14, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.77
Montreal	5	1945	98.00	102.00	*
Ottawa	4½	1945	102.00	104.00	2.06
†Quebec	5	1959	116.00	119.00	3.42
Saint John	5	1950	106.25	109.25	3.50
†Toronto	4½	1955	124.50	127.50	1.74
†Vancouver	5	1970	116.00	119.00	3.83
Winnipeg	6	1950	115.00	117.00	2.63

†Payable Can. & N.Y. *Flat.

Bond Redemptions

Eastern Car.	6%	1952	Jan. 1	105
Gt. Lakes Pwr.†	5%	1957	Feb. 4	103.89
Nfld. L.&Pr.‡	4½%	1956	Jan. 1	102
Price Bros.	4%	1957	Mar. 1	100

* $57,800. † $20,000. ‡ $20,000.

Annual Meetings

1943	Company	Place
Dec. 23	Marcus Loew's Theat.	Toronto
Dec. 29	Brantford Cordage	Brantford
Dec. 30	Guaranty Trust of Can.*	Windsor
1944		
Jan. 8	Banque Can. Nationale	Montreal
Jan. 12	Kelvinator of Can.	London
Jan. 13	Montreal Telegraph	Montreal
Jan. 13	Provincial Bank	Montreal
Jan. 13	Royal Bank of Canada	Montreal
Jan. 18	Asbestos Corp.*	Montreal
Jan. 19	Bank of Toronto	Toronto

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 14, 1943

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 14	Ask.	Bid Dec. 7
[illegible] B.R.	5	'59	34½	37	33
[illegible] T.	5½	'55	92	95	91
[illegible]	4½	'60	101½	103½	101½
[illegible]	4½	'61	108½	110½	108½

[illegible]

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

December 14, 1943

Miscellaneous Stocks:	Bid	Ask.
*Acme Farmers, pf.	86½	..
Allens Lond. Thea., pfd	45	..
Atlas Steels, 7% 2nd pf.	107	..
Brantford Roofing, c	5½	..
Brinton-Peterboro Cpt.	51	60
Can. Co-op. Wool.	8½	10
[illegible]		
Ritchie Cut Stone pfd	1½	4
P. L. Robertson Mfg. c.	24	..
Do., $2.50 pref.	43½	45½
E. L. Ruddy, pref.	25	..
Sawyer-Massey com	.50	.80
St. John Dryd. 5½% pfd.	96	99
Sincennes McN., com.	2	2½
Un. Farmers Co-op.	3	3½
Waterloo Mfg., com.	3½	4½
Wentworth Radio, pf.	16½	..
York Trading, com.	3½	4½

*Issue carries arrears. †Currently paying on arrears.

Bond Tenders

Dec. 20, Kingston—$30,000, 3¼% maturing 1944-53; $100,000 3% 1944-58.

Dec. 16, Canada Treasury Bills—$55,000,000 dated Dec. 17, 1943, payable Mar. 17, 1944.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.18	...
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.25	6.25
Corp. Investors	6.05	6.50
Trans-Canada	10.45	11.40

Corporation Bonds (Cont'd)

*M. & O. Paper	5	'60	109	111	108½
Moirs Ltd.	6	'53	95	..	94
‡Mtrl. Drydocks	6	'48	95	98	93
Montreal Apts.	4	'54	61½	64½	61½
N. S. Stl. Coal	3½	'63	87	90	87
Price Bros.	5	'57	102	104½	102
Do.	4	'57	100	..	94
*Prov. Paper	5½	'47	104½	..	104½

[illegible]

Dividends

[illegible]

What's Ahead for Canada

(Continued from page 11)

home) or British distinction of class (not much worse than our subservience to money) or that British consciousness of superiority which once crushed us into an inferiority complex. All that is passing away. We are beginning to move up into the class of the Eskimos who always call themselves "the people." Nor do we mean British in such superficial things as accent of speech —saying "Wailway" for "railway" and speaking of a "twain at faw-faw"—nor in thinking that Oxford means knowledge and a colonial degree ignorance. All that, with the rankling indignation it once carried, is gone forever. But there is another newer and better sense of British on which the present British Empire has been rebuilt from the past—British to mean a heritage of the past, something that we have made as much as they have and which belongs to all in common.

I turn to the question of exclusion. Great as is our need of immigration the necessity of exclusion is greater still. A fully open door, such as English theorists always dream of, spells ruin.

We should exclude from new settlement in Canada all colored people, black, brown, yellow; all Asiatic people whether British subjects (the Hindoos) or foreign citizens (the Siamese). It is no reflection on them; if I were in their place I would exclude us. We cannot intermarry with them, and without that no two-coloured community can survive except as master and servant, sahib and coolie. We don't want that. That's stepping backward.

I am amazed at the attitude of England, beloved England. In this respect a discussion is currently running in the English press about West Africa and its black people and the need for British people, by means of films, books, lecture talks, etc., to learn that the black are our equals, etc.... So what? So that the daughter of the film producer can come home married to a coal-black Ashanti Ash, or whatever you call them?

No, no; the thing can't be done. The exclusion is absolutely flat; it's beyond argument.

Over the face of Europe I would pass exclusion as wide as the sweep of the sword of war, culling out all Germans till the third and fourth generations. For there can be no peace in Europe, no real peace, while present memory lives, and while living affection still recalls its tortured dead. There can be no peace in Europe—order under authority but not peace. After what happened — the slaughter, the starvation, the cruelty to the weak, the innocent people shot against stone walls, the children left to die in mockery in the streets—I cannot see that human sorrow can be so short that human affection so soon would wither and righteous anger die down. Of all such nations we want none here. We cannot search their lives one by one. We must exclude them as a nation, so that we shall not import into Canada the smothered angers that may yet burn Europe to extinction.

The late Professor Ernest McBride of McGill and London, famous as a biologist, used to claim that in the long run climate would work its will on the Canadians; would produce an inland type like the Norwegians, inured to cold, a Maritime Coast type still sniffling like the Scots, and a Pacific type gradually growing as lazy as the Polynesians—but all this, on enquiry, at a safe distance of ten thousand years.

We can't wait for it. And meanwhile our British Canadians will undoubtedly as time goes on (not the big time, little time) move nearer and nearer to something like the uniformity of a national type, a result that will come about with the expansion of population to fill the gaps and with the increasing mobility given by the new conditions of transport. The chief influence will be the effect of British-Canadian (quite separate from French-Canadian) education which already for the people who go to college—hardly yet for the school pupils—gives a sort of uniformity of outlook, a free masonry of knowledge—or, if one will, of ignorance. People who have failed in first year mathematics even if a thousand miles apart seem to know one another. Among these college people something like a common accent of speech already begins to appear, superimposed on some earlier family accent, not much of an accent perhaps but the best we can do.

So, once we get ourselves fixed up into a type we can get someone to draw a cartoon of us, and then we can tell our new coming immigrants, in the words of the song, "We know that you cannot be us, be as like us as you can."

Query Wheat Board's Power

Problem Involves Possible Storage Rate Change

From Our Own Correspondent

WINNIPEG. — Involved in the matter of storage rates, which has arisen between the Canadian Wheat Board and certain of the elevator companies in western Canada, is a question of the jurisdiction of the Board of Grain Commissioners and whether or not the provinces of the Canada Grain Act have been overridden by powers conveyed to the Canadian Wheat Board.

The Board of Grain Commissioners established the maximum storage rate for the current year at 1/50th of a cent per bushel per day which, while lower than the maximum fixed for last year of 1/45th, was actually the rate put into effect by all elevator companies as a result of an agreement with the Canadian Wheat Board. It is understood that this year the Wheat Board received an offer from the pool elevator companies to cut the rate to 1/60th, and pressed other companies to take similar action.

The other companies declined to do so, taking the ground that under the Canada Grain Act any company may file a tariff for a lower rate, and that those not wishing to do so should not be expected to contract for a lower rate than established under the law.

Pool Income Tax Exempt

It is understood that ability of pool companies to operate at lower rates than others has been pointed out on account of the exemption which those companies, up to the present at least, have enjoyed with respect to income tax. Authorities hold the opinion that the Government has not given to the Wheat Board powers to override decisions of the Board of Grain Commissioners, and that it is only by voluntary action that rates lower than those established under the Canada Grain Act can be obtained.

The Government, of course, under the War Measures Act, could intervene, if it desired, but because of the value western farmers have always set on the Canada Grain Act, and confidence expressed in Board of Grain Commissioners, such action would hardly be expected.

West's Farmers Satisfied

Since the Winnipeg wheat futures market was closed on Sept. 28 the evident tendency of western farmers has been to accept as satisfactory the basic initial price of $1.25 which they obtain from the Wheat Board. Comparatively little attention has been paid to the rise in the U. S. wheat market since then. Doubtless there will be an increasing realization that prices in the United States have risen to a basis equivalent to more than 50 cents a bushel above the level prevailing in Canada.

Quite probably, if the Canadian Government had not closed the market when it did, a price of $1.50 per bushel would have registered in Winnipeg by this time. Rye is the only grain in which free trading still prevails. The level recorded at the beginning of this week would have been the equivalent of $1.30 per bushel, on the basis of equal weights of grain, and probably of $1.50 per bushel on the basis of normal price relationship between the two grains.

Want Grain Levy Lifted

The House of Representatives in the United States has passed a resolution calling for lifting of duties on grain imported for feeding purposes for a period of 90 days. If that proposal becomes law through the concurrence of the Senate and the President, it will be interesting to observe if it results in developing a movement of wheat through commercial channels. So far, all purchases of Canadian wheat for the U. S. have been made through a government agency, the Commodity Credit Corp., which does not have to pay duty on its imports.

Possibly ordinary commercial agencies would not be able to secure cars for movement of wheat all rail from Canada, as the government agency is doing with the co-operation of U. S. railways. But there is a large quantity of Canadian wheat already in store in eastern positions in the U. S. for which bids might be made, although presumably it has been earmarked for export to Great Britain. If the duty comes off oats and barley it will be highly profitable to those commercial agencies which are holding Canadian feed grains in bond in the U. S.

Presumably the actual movement would not be increased, as the Canadian Wheat Board would be expected to advance the already substantial fees which it collects for permits to export Canadian oats and barley. Such a temporary reduction of duties as has been suggested would make highly complicated the business of transporting feed grain across the border. Exporters will hesitate to pay Canadian authorities an enhanced price for permission to ship grain south, for fear they will not be able to get such grain across during the suspension of duties.

It might appear to be logical to expect the Canadian Wheat Board to do everything possible to facilitate the movement of Canadian grain to the U. S. while that country is most receptive.

Farming

Are Droughts Coming?

By GORDON L. SMITH

Many people still look on long range weather forecasting as something closely akin to voodooism but it is a fact that much scientific progress in this connection has been made in recent years. When the war is over the public may hear some startling information regarding the success of predicting weather months ahead.

The U. S. Geological Survey regularly issues reports on future weather and these are highly regarded by many industries, like canning, seed growing, packing, etc., that have a direct interest in the matter.

In its latest report the U. S. survey warns that there are deficiencies in precipitation in the Canadian northwest, the American southwest and eastern Ontario. Of course, it is possible, with very timely rains, to get good crops despite a general shortage of moisture but the risk is greater because of the lack of reserves. Rains must arrive right on time or the crops will suffer. Last season, it will be recalled, there was considerable evidence of drought in some parts of western Canada, especially Saskatchewan and southern Alberta, and present indications at least point to no immediate relief.

• • •

Rail Grading

Compulsory rail grading of hogs was condemned at the annual meeting of the Western Livestock Shippers' Association. Delegates claimed that, under present conditions, the system was unfair to shippers. They stated that the farmer took all the risk of bruising and other damage en route to market and then, when this damage showed up in the dressed carcass, all of it was charged up to the farmer. Moreover, in order to reduce shipping damage, hogs were being sold at the nearest market, which practice it was argued encouraged present slaughterhouse congestion.

This criticism of rail grading may be valid under present circumstances but it was largely at the request of the producers that the system was first established. Previously the bulk of the hogs were graded and bought alive, either at country points or at stockyards. Very often after slaughtering and dressing it was found that the dressed carcass did not come up to the quality indicated when the animal was alive and so it was claimed that the only fair way was to grade after slaughtering and pay on the basis of that grading. Only when the carcass was hanging from the overhead rail in the packing plant, it was argued, was the real quality of the meat revealed, the even or uneven streaking of fat and lean, the length of the side, the firmness and texture of the ham.

The former method of buying hogs on the hoof appeared to be a rather tricky business and perhaps it was often a case of a pig in a poke, but the old drovers and other livestock buyers were often very shrewd individuals with an uncanny knowledge of the dressed out quality of any animal offered them.

Tractors or Carriers

There are reports that some Canadian farmers have been offered used army universal carriers as substitutes for tractors they have been unable to secure and at approximately the same price. Those who know something about these vehicles and also of farming are not very confident that the deal will prove very satisfactory.

The tractor is a special machine built for low speed, heavy duty hauling, with a relatively narrow chassis designed to straddle rows of crop. It is also usually equipped with a power take-off for operating saws, silo fillers, threshing mills etc., and rubber tires which are permitted on paved highway.

The universal carrier, on the other hand, was designed for war jobs, for carrying men and ammunition quickly under fire, and over all sorts of terrain. It is much wider and longer than the average tractor, has more speed but usually less power, carries a lot of, so far as farming is concerned, unnecessary steel plate and is equipped with caterpillar treads which would probably wear out more quickly and break down more often than the sturdy wheels of the average tractor.

Dividends Declared

	This payment $	Date payable	Date of record
Algoma Steel, pfd.	2.50	Jan. 1	Dec. 1
Amal. Electric	.30	Jan. 2	Nov. 30
Alum. of Can., p.	1.25	Feb. 1	Jan. 5
Agnew Surp. pfd.	1.75	Jan. 3	Nov. 30
Am. Cyan. A. B.	‡†.15	Jan. 3	Dec. 11
Do., pref.	†.12	Jan. 3	Dec. 11
Asbestos Corp.	.20+.20	Dec. 21	Dec. 1
Assoc. Brew., c.	.75	Dec. 31	Nov. 30
Assoc. Tel. & T., p.	†1.54	Dec. 21	Nov. 26
Do., $6 pref.	†1.32	Dec. 21	Nov. 26
Acme Glove, pfd.	3.25	Jan. 3	Dec. 18
Anglo Huronian	.10	Jan. 21	Dec. 15
Barber Ellis, pfd.	1.75	Jan. 15	Dec. 31
Bell Telephone	2	Jan. 15	Dec. 23
Biltmore Hats	.15	Jan. 15	Dec. 31
Bralorne Mines	.20+.10	Jan. 15	Dec. 20
Brazilian Tr., pfd.	1.50	Jan. 3	Dec. 15
Bright, T. G., pfd.	1.50	Dec. 15	Nov. 30
Beatty Bros. (A)	.37	Jan. 3	Dec. 15
Do., (B)	•.12½	Jan. 3	Dec. 15
Do., pref.	3.50	Jan. 3	Dec. 15
Bk. of Nova Scotia	2.50	Jan. 3	Dec. 16
Belding Cort.	1	Jan. 3	Nov. 30
Do., pref.	1.75	Jan. 3	Nov. 30
Blue Top Brew. A.	.30	Dec. 31	Dec. 15
Brit. Amer. Oil	.25	Jan. 3	Dec. 3
B. C. Power, A.	.50	Jan. 15	Dec. 31
Burlington Steel	.15	Jan. 3	Dec. 10
Borden Co.	†.60	Dec. 20	Dec. 7
B. C. El. Pr. & Gas, p.	1.50	Jan. 3	Dec. 20
Brantford Cord. p.	.32½	Jan. 15	Dec. 20
Building Products	.15	Jan. 3	Dec. 15
Canada tarch	.50	Jan. 15	Jan. 8
Do., pref.	3.50	Jan. 15	Jau. 8
Canada Trust	3	Jan. 2	Dec. 15
Canada Bread, pfd.	1.50	Jan. 3	Dec. 13
Do., 2nd pref.	.62½	Jan. 3	Dec. 13
Canada Machinery	.50	Dec. 21	Dec. 10
Carnation, pref.	†1	Jan. 3	Dec. 14
Cons. Bakeries, ord.	.20	Jan. 3	Dec. 10
Can. Fire Ins.	2	Jan. 3	Dec. 20
Can. Indemnity	4	Jan. 3	Dec. 20
Can. Light & Pr.	.50	Jan. 15	Dec. 24
Can. Steamships, pf.	1.25	Jan. 3	Dec. 1
Can. Cycle	.30+.20	Dec. 27	Dec. 10
Do., pref.	1.25	Dec. 27	Dec. 10
Can. Cement, pfd.	1.25	Dec. 20	Nov. 25
Can. Perm. Mtge.	2	Jan. 3	Nov. 15
Can. Cottons	1.50	Jan. 3	Dec. 3
Do., pref.	1.50	Jan. 3	Dec. 3
Canada Cr. Stone	.10	Dec. 15	Dec. 1
Canada Packers	1	Jan. 3	Dec. 1
Can. Gen. Invest.	.15	Jan. 15	Dec. 31
Can. Indust. A. B.	1.50	Dec. 27	Dec. 16
Do., pref.	1.75	Jan. 15	Dec. 15
Can. Pac. Rly., pfd.	2%	Feb. 1	Dec. 31
Can. Gen. Electric	2	Jan. 3	Dec. 15
Can. Nor. Power	■.15	Jan. 25	Dec. 20
Do., pref.	■1.75	Jan. 15	Dec. 20
Can. For. Invest. pf.	■2	Jan. 1	Dec. 1
Can. Bronze	.37½+.50	Feb. 1	Jan. 10
Do., pref.	1.25	Feb. 1	Jan. 10
Can. Canners	.12½	Jan. 3	Dec. 15
Do., 1st pref.,	.25+.05	Jan. 3	Dec. 15
Do., 2nd pref.	.15+.05	Jan. 3	Dec. 15
Can. Celanese	.25+.25	Dec. 31	Dec. 17
Do., pref.	1.75	Dec. 31	Dec. 17
Do., inc. fd. rts.	1	Mar. 15	Dec. 31
Can. Converters	.50	Jan. 31	Dec. 15
Canadian Oil, pfd.	2	Jan. 3	Dec. 20
Can. Westinghouse	■.50	Jan. 1	Dec. 15
Can. Wire Box	.37½	Jan. 3	Dec. 10
Can. Breweries, pfd	.85	Jan. 1	Nov. 15
Can. & For. Secs.	.06	Feb. 1	Jan. 17
Can. Food Prod.	.50	Apr. 1	Feb. 29
Can. Food Prod.	.50	Jan. 1	Nov. 30
Candn. Car. pfd.	.53	Jan. 10	Dec. 21
Can. Malartic G.	.02	Dec. 22	Nov. 17
Cochenour Willians	.03	Jan. 15	Dec. 20
Consumers' Gas	2	Jan. 3	Dec. 15
Central Can. Loan	2	Jan. 3	Dec. 18
Comm. Alcohol	.05	Jan. 15	Dec. 31
Do., pref.	.10	Jan. 15	Dec. 31
Cen. Pat. Gold	.03	Jan. 3	Nov. 30
Chartered Trust	1	Jan. 3	Dec. 15
Coniaurum M.	■.04	Dec. 22	Nov. 19
Cons. Smelters	.50+.75	Dec. 31	Dec. 1
Carnation Co. c.	†.50	Jan. 3	Dec. 14
Do., extra	†1	Dec. 20	Dec. 14
Celanese of Amer.	†.50	Dec. 31	Dec. 17
Do., 5% pr. pf.	†1.25	Jan. 1	Dec. 17
Do., 7% pr. pfd.	†1.75	Jan. 1	Dec. 17
Do., 2nd pf.	†1.75	Jan.	Dec. 17
Det. & Can. Tunnel	†.75	Dec. 20	Nov. 30
Dom. Glass	1.25	Jan. 15	Dec. 28
Do., pref.	1.75	Jan. 15	Dec. 28
David & Frere A	.25	Dec. 31	Dec. 15
Disher Steel, pf.	1.50	Dec. 24	Dec. 3
Distill.-Seag., pfd.	†1.25	Feb. 1	Jan. 15
Do., pref.	†1.25	Feb. 1	Jan. 15
Dom. Foundries	.35	Jan. 3	Dec. 10
Dom. Textile	1.25	Jan. 3	Dec. 3
Do., pref.	1.75	Jan. 15	Dec. 15
Dome mines	■.40	Jan. 29	Dec. 30
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Envelope, c.	.10	June 1	May 20
Do.,	.10	Dec. 1, '44	Nov. 20
Dom. Coal pfd.	▲1.88	Jan. 2	Dec. 10
Dom. Stores	.10	Dec. 20	Nov. 24
Dom. Woollens, pfd.	.60	Jan. 3	Dec. 8
Dunlop Tire	.50	Dec. 21	Dec. 15
Dunlop Tire, pf.	.62½	Dec. 31	Dec. 15
Easy Wash., c.	•.25	Jan. 3	Dec. 20
Do., pref.	.17½	Jan. 3	Dec. 20
East. Bakeries, pfd.	1	Jan. 15	Dec. 31
Foundation Co.	.35	Jan. 21	Dec. 31
Famous Players	.50	Dec. 31	Dec. 15
Fanny Farmer	†.37½	Dec. 21	Dec. 1
Do., extra	†.25	Dec. 21	Dec. 1
Falconbridge N.	■.07½	Dec. 22	Nov. 17
Ford Motor A B	.25	Dec. 21	Dec. 2
Freiman, A. J., pfd.	1.50	Jan. 1	Dec. 15
Goderich Elev.	.50	Jan. 3	Dec. 15
Goulds Pumps, pfd.	†1.75	Dec. 28	Dec. 18
Goodyear Tire	.63+1	Dec. 31	Dec. 15
Do., pref.	.62½	Dec. 31	Dec. 15
Granby El. Web., c.	.25	Dec. 29	Dec. 15
Gt. West Life	3.75	Jan. 3	Dec. 20
Gt. Lakes Pap. A, B p.	.75	Dec. 31	Dec. 1
Goldale Mines	.02	Dec. 21	Dec. 4
Gat. Pwr.,	.20	Dec. 31	Dec. 1
Do., 5½% pref.	1.38	Jan. 1	Dec. 1
Do., 5% pref.	1.25	Jan. 1	Dec. 1
Gt. West. Sadd. pref.	.75	Dec. 31	Dec. 2
Do., 2nd pref.	.75	Dec. 31	Dec. 2
Grey&B. Trust	2%+½%	Dec. 20	Dec. 1
Greening Wire	.15	Jan. 3	Dec. 1
Guaranty Trust	1.25	Jan. 15	Dec. 31
Hunt's, A, B	.50	Jan. 3	Dec. 6
H. Smith Paper, pfd.	1.50	Jan. 20	Dec. 31
Ham. Un. Theat. p.	1.25	Dec. 31	Dec. 15
Huron E. Mtge.	1%	Jan. 3	Dec. 15
Hudson's Bay, pfd.	2½%	Jan. 1	Dec. 31
Hinde & Dauch	.25	Dec. 20	Dec. 1
Harding Carpet	.10	Jan.	Dec. 15
Hollinger Cons.	.05	Dec. 31	Dec. 16
Holt-Renfrew, pfd.	3.50	Jan. 15	Dec. 31
Indust. Mtge. Tr.	1+.50	Jan. 2	Dec. 15
Inter. C. Baking	.75	Dec. 28	Dec. 14
Indust. Accept. A	.50	Dec. 31	Nov. 30
Do., pref.	1.25	Dec. 31	Nov. 30
Inter. Nickel, c.	†.50	Dec. 31	Dec. 1
Imp. Tob. ord.	.10	Dec. 31	Nov. 16
Inter. Power, pfd.	1.75	Jan. 3	Dec. 10
Invest. Found.	•.25	Jan. 15	Dec. 15
Do., pref.	.75	Jan. 15	Dec. 15
Island M. Mines	.02½	Dec. 20	Nov. 19
Int. Metal	.25	Jan. 3	Dec. 10
Do., pfd. A pfd.	1.50	Feb. 1	Jan. 10
Inspiration M.	■.02	Jan. 15	Dec. 10
Inter. Paints, pf.	1+.50	Jan. 12	Dec. 11
Intercol. Coal	1	Jan. 3	Dec. 18
Do., pref.	4	Jan. 3	Dec. 18
Intern. Bronze	.20	Jan. 15	Dec. 15
Do., pref.	.37½	Jan. 15	Dec. 15
Intern. Nickel, pfd.	†1.75	Feb. 1	Jan. 3
Jam. Pub. Service	.17	Jan. 3	Nov. 30
Do., pref.	1.75	Jan. 3	Nov. 30
Kerr-Addison G.	.08	Dec. 30	Nov. 30
Lake Dufault	■.02	Jan. 15	Jan. 5
Landed Banking	1	Jan. 3	Dec. 15
Lambton Trust	1.50	Dec. 31	Dec. 15
Lamaque Gold	.10	Feb. 1	Dec. 31
Lang, J. A.	.17½	Jan. 3	Dec. 10
Levy Bros.	.40	Dec. 27	Dec. 15
Lambton Loan	1+.50	Jan. 3	Dec. 15
Loblaw Groc. Inc.	†.15	Feb. 25	Feb. 11
Little Long Lac	■.04	Dec. 30	Dec. 10
Monarch Life	12%	Jan. 3	Dec. 17
Mtl. C. & D. Bank	3+1	Jan. 3	Dec. 15
MacL.-Cockshutt	.05	Dec. 30	Dec. 15
Marcus Loew's, pfd.	1.75	Dec. 31	Dec. 17
Mod. Containers	.30	Jan. 3	Dec. 20
Do., pref.	1.37½	Jan. 3	Dec. 20
Montreal Tele.	*.48	Jan. 15	Dec. 15
Murphy Paint	.20	Jan. 1	Dec. 10
Do., pref.	1.37½	Jan. 1	Dec. 10
Maritime Tel.	.17½	Jan. 15	Dec. 20
Do., pref.	.17½	Jan. 15	Dec. 20
Midland Loan	.40	Jan. 2	Dec. 15
McColl Fron., pfd.	1.50	Jan. 15	Dec. 31
Melchers Distil., pf.	.30	Jan. 17	Dec. 15
McIntyre Porc.	1.11	Jan. 3	Nov. 1
Moneta Porc.	.02	Jan. 15	Dec. 22
Moore Corp.,	.55½	Jan. 3	Dec. 1
Do., extra	.66½	Jan. 3	Dec. 1
Do., pref. A. B	†1.75	Jan. 3	Dec. 1
Nipissing Mines	■.10	Dec. 23	Nov. 27
Nat. Grocers, pfd.	.37½	Jan. 1	Dec. 7
Niag. W. Weav.	.25	Dec. 31	Dec. 1
North Star Oil, pfd.	.08¾	Jan. 2	Dec. 6
New M. Ldry., pf.	1.62½	Dec. 20	Nov. 30
National Brew.	.50	Jan. 3	Dec. 3
Do., pref.	.43	Jan. 3	Dec. 3
Nat. Steel Car.	.25	Jan. 15	Dec. 15
National Trust	2	Jan. 3	Dec. 15
National Biscuit, c.	†.30	Jan. 15	Dec. 10
N eon Pr. of W. Can.	.30	Dec. 20	Dec. 6
N. S. Lt. & Pr., ord.	1.25	Jan. 3	Dec. 15
Ottawa L. & Pr.	.15	Jan. 1	Nov. 10
Ontario Loan	1.25	Jan. 3	Dec. 15
Ottawa Elec. Rly.	.50	Jan. 3	Dec. 1
Ogilvie Flour, c.	.25	Jan. 3	Nov. 26
Do., pref.	1.25	Jan. 1	Nov. 10
Ont. Steel Prod.	.25	Feb. 15	Jan. 15
Do., pref.	1.75	Feb. 15	Jan. 15
Page Hersey T.	1.25	Jan. 2	Dec. 15
Para. Pictures,	†.40	Dec. 29	Dec. 10
Preston E. Dome	.05	Jan. 15	Dec. 15
Paymaster Cons.	■.01	Jan. 10	Dec. 10
Pickle Crow G.	.05	Dec. 31	Nov. 30
Power Corp., pfd.	■1.50	Jan. 15	Dec. 20
Do., 2nd pref.	■.75	Jan. 15	Dec. 20
Pamour Porc.	.05	Dec. 20	Nov. 19
Price Bros., pfd.	1.37½	Jan. 1	Nov. 30
Perron Gold	■.02	Dec. 31	Dec. 1
Proprietary M.	.08	Jan. 7	Dec. 7
Porto Rico Pr., p.	1.75	Jan. 3	Dec. 10
Premier Gold	.01	Jan. 15	Dec. 15
Remington Rand.	†.30	Jan. 2	Dec. 10
Do., pref.	†1.12½	Jan. 2	Dec. 10
Real Est. Loan	1	Jan. 2	Dec. 15
Riverside Silk	.50	Jan. 3	Dec. 10
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Russell Indust.	.20	Dec. 27	Dec. 10
Do., pref.	1.75	Dec. 27	Dec. 10
Sherritt G M.	■.03	Dec. 22	Nov. 15
Sigma Gold	■.30	Jan. 28	Dec. 28
South Can. Pwr., c.	.20	Feb. 15	Jan. 20
Sylvanite Gold	.03	Jan. 15	Nov. 15
Do., pref.	■1.50	Jan. 15	Dec. 20
Stedman Bros.	.15	Jan. 3	Dec. 20
Do., pref.	.75	Jan. 3	Dec. 20
St. Law. Corp. pf.	.25	Jan. 15	Dec. 27
St. Law. Paper, pfd.	.75	Dec. 21	Dec. 1
Do.,	.75	Jan. 15	Dec. 27
Supersilk H., pf.	2.50	Jan. 3	Dec. 17

Dividends Declared (Cont'd)

	This payment $	Date payable	Date of record
Sheep Creek M.	.03	Jan. 15	Dec. 31
Sherwin Wms., pf.	1.75	Jan. 3	Dec. 10
Simon & Sons	.15	Dec. 23	Dec. 3
Do., pref.	1.75	Dec. 23	Dec. 3
Standard Fuel, pf.	1+1	Jan. 1	Dec. 15
Sterling Trust	$1.50	Jan. 3	Dec. 20
Stand. Radio A. B	.10	Jan. 10	Dec. 21
Sun Life Assur.	3.25	Jan. 1	Dec. 16
Supertest Pete., c. ord.	.50	Jan. 3	Dec. 17
Do., pref. B	.75	Jan. 3	Dec. 17
Thayers, pfd.	2	Jan. 1	Dec. 21
Tuckett Tob., pfd.	1.75	Jan. 15	Dec. 31
Tor. Gen. Trusts	1	Jan. 3	Dec. 10
Toronto Mortgage	1.25	Jan. 3	Dec. 15
Tamblyn, G.	.20	Jan. 3	Dec. 10
Do., pref.	.62½	Jan. 3	Dec. 10
Teck Hughes G.	.10	Feb. 1	Dec. 31
Tip Top Tailors	.07½	Jan. 1	Dec. 1
Do., pref.	1.75	Jan. 1	Dec. 1
Tooke Bros. c.	.25	Jan. 2	Dec. 15
Traders Fin. A rts.	1	Jan. 3	Dec. 31
Do. (B) rts.	1	Jan. 3	Dec. 31
Do., pref.	1.50	Jan. 3	Dec. 15
Twin C. Rapid, pf.	1.75	Dec. 24	Dec. 18
Unit. Gold Eq.	■.05	Dec. 30	Dec. 15
United Corp., B.	.20	Dec. 30	Dec. 10
Ventures,	■.10	Dec. 30	Dec. 2
Viau, pref.	1.25	Jan. 3	Dec. 20
Wabasso Cotton	1	Jan. 3	Dec. 20
West. Assurance, pf.	1.20	Jan. 3	Dec. 31
West. Grocers	.75	Jan. 15	Dec. 15
Do., pref.	1.75	Jan. 15	Dec. 15
West Koot. Pr., pfd.	1.75	Dec. 31	Dec. 15
Weston Geo., c.	.20	Jan. 3	Dec. 4
Wilsil	.25	Jan. 2	Dec. 1
Wr. Hargreaves	.06¼	Jan. 3	Nov. 26
Ymir Yankee	.08 4/10	Dec. 30	Dec. 14

■Subject to approval of Foreign Exchange Control Board. ▲On arrears.
†Payable in N. Y. funds.
‡ Plus 75c, payable in 5% pref. stock in ratio of 1 pref. for each 13 1/3 sh. A or B held.
•Initial. *After deducting corporate income tax.

DIVIDEND NOTICES

Canadian Food Products Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (.50 cents) per share on the outstanding capital stock of the Company has been declared payable on the 1st day of April, 1944, to shareholders of record at the close of business on February 29, 1944.

By Order of the Board,
R. G. McMULLEN,
Secretary.

Toronto, Ontario, December 10, 1943.

Notice of Payment of Interest City of Montreal Bonds

Series E 5% matured 1st November, 1942.
Series M 5% matured 1st September, 1942.
Series K/2 4¼% matured 15th October, 1943.

NOTICE is hereby given that until further advised semi-annual interest on the above-mentioned bonds will be paid by cheque at the rate specified on the bonds.

Holders are invited to have their bonds registered by sending them (with exact information as to the name in which they should be registered and the address to which interest cheques should be sent) in the case of residents of the United States, to The Bank of Montreal Trust Company, 64 Wall Street, New York, N.Y., and in the case of residents of Canada, to the Registrar, Department of Finance, City Hall, Montreal, Canada.

Holders have the privilege of transferring from one register to the other.

Interest will be paid, at the option of the holder, in United States or Canadian currency from both registers.

It is recommended that bonds be insured against all forwarding risks; they will be returned as soon as registered.

Semi-annual interest will also be paid at both places on bonds not registered, on presentation of the bonds.

L. ROBERGE,
Director of Finance.

Office of the Director of Finance,
City Hall,
Montreal, 11th December, 1943.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 378

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1943, to shareholders of record at the close of business on the 16th day of December, 1943.

Dated the 9th day of December, 1943.

P. C. FINLAY,
Secretary.

WANTED

Canada Life
Imperial Life

A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 245

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1944. The dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the first day of February, 1944, to shareholders of record of the 15th January, 1944.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 9th December, 1943.

The Wabasso Cotton Company, Limited

Notice of Dividend

A quarterly dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of The Wabasso Cotton Company, Limited, payable on the 3rd January, 1944, to shareholders of record as at close of business on 20th December, 1943.

By Order of the Board,
H. W. CAPEL,
Secretary-Treasurer.

Montreal, Que.,
9th December, 1943.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by Provincial Paper Limited, payable January 3rd, 1944, to Shareholders of record at close of business December 15th, 1943.

(Signed) W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

Sun Life Assurance Company of Canada

Head Office : Montreal
Stock Transfer Department

Notice is hereby given that a dividend of three dollars twenty-five cents ($3.25) per share on the capital stock of the Company has been declared for the quarter ending December 31st, 1943, and will be paid on January 1st, 1944, to shareholders of record at the close of business December 16th, 1943.

The stock transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,
F. J. CUNNINGHAM,
Secretary.

Guaranty Trust Company of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending December 31st, 1943, payable January 15th, 1944, to shareholders of record at the close of business December 31st, 1943.

By Order of the Board,
J. WILSON BERRY,
General Manager

NOTICE

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 13th day of January, 1944, at 11 o'clock, a.m.

By order of the Board.
S. G. DOBSON,
General Manager.

Montreal, 1st December, 1943.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on and after 3rd January, 1944, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

2nd December, 1943.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up capital stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1943, payable January 3rd, 1944, to shareholders of record at the close of business December 15th, 1943.

By Order of the Board.
E. W. McNEILL,
Secretary.

Dated at Toronto, November 18th, 1943.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the one hundred and thirtieth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending November 30th, 1943, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 10th day of December, 1943, and that cheques will be mailed on January 3rd, 1944.

Books not closed.
By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
November 25, 1943.

DIVIDEND NOTICES

COCHENOUR WILLANS GOLD MINES, LIMITED

(No Personal Liability)
DIVIDEND NOTICE
INTERIM DIVIDEND NO. 10

NOTICE is hereby given that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited (No Personal Liability) and will be paid on the 15th day of January, 1944, to shareholders of record at the close of business on the 20th day of December, 1943.

By Order of the Board.
G. M. HUYCKE,
Secretary.

Toronto, Ont., 9th December, 1943.

NOTICES

The Bank of Toronto

ANNUAL MEETING

The Annual Meeting of the shareholders will be held at the Head Office of the Bank, King and Bay Streets, Toronto, on Wednesday, the Nineteenth day of January, 1944, the chair to be taken at 11 A.M.

B. S. VANSTONE,
General Manager.

DIVIDEND NOTICES

"SUPERTEST" Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" PREFERRED

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this Corporation for the half-year ending December 31st, 1943, has been declared; payable January 3rd, 1944, to shareholders on record at the close of business December 17th, 1943.

COMMON AND ORDINARY

The Board of Directors has declared a half-yearly dividend of 50c per share on the Common and Ordinary stocks of this Corporation for the half-year ending December 31st, 1943, payable January 3rd, 1944, to shareholders on record at the close of business December 17th, 1943.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 48, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after January 3rd, 1944, where payment will be made at par.

By Order of the Board.
JAMES D. GOOD,
Secretary-treasurer.

London, Ontario, December 13th, 1943.

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LIMITED

GRAIN
MASTER FEEDS
LINSEED & SOYA OILS

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CO. LIMITED
SARNIA ONTARIO

QUEEN'S QUAY, TORONTO

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LIMITED

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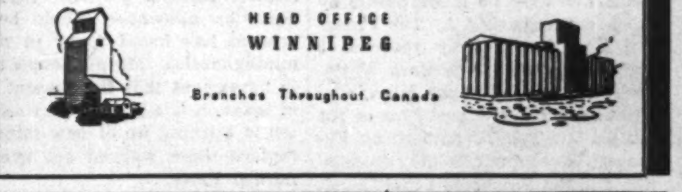

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Kerr Extends New Depth Ore

Results Reported Favorable—Labor Limiting Factor

By GORDON M. GRANT

Canada's big Larder Lake producer, Kerr-Addison Gold Mines, is doing just about as well as can be expected these days in the face of a labor situation which continues to deteriorate progressively.

Work at the deep bottom 2,500-ft. exploration level—1,050 ft. below any other lateral exploration—is continuing steadily, and results have been decidedly favorable, The Financial Post is informed. Driving east was suspended for a time to permit drilling of ore structures (which showed up at 80, 135, 215 and 257 ft. east of the shaft crosscut) but, after securing structural information, and favorable ore intersections which are not being released at present, drifting on line was resumed and is now continuing both east and west.

Some time will elapse before these line drives will be completed and before the main program of drilling of horizontal, up and down holes, from the drives, can be carried out to determine the full extent of the main ore structures at this horizon. Drilling to date has been more to obtain structural information than to outline ore values. But the ore values have come in strongly, it is understood.

Maintain Production Rate

Production is still being maintained at the reduced rate of 1,650 tons per day as instituted June 1 (milling rate was 2,100 tons daily previously), but it is possible a further reduction may be forced as the labor situation becomes more serious. At the end of September a payroll of 650 had declined to 338, and further losses have occurred since the end of September.

Some use is being made of broken ore reserves, supply of which will almost suffice for a year's mill operation. While the quantity of broken ore approximates a year's mill feed, it is not all available for feeding the mill. This is a reason why it may be desirable later to lower the milling rate to keep it in line with the severe decline in labor supply which authorities have so far taken no serious steps to correct.

What is probably Canada's premier individual prospect for major gold mining expansion in the postwar period — Kerr-Addison Gold Mines — is struggling manfully with a labor shortage. While development has had to be sharply curtailed, diamond drilling completed at the 2,500-ft. deep exploration level has been returning favorable results, The Financial Post is informed. Driving to the east has been resumed.

Milling rate is still being held at 1,650 tons daily but with the labor supply becoming progressively smaller, a further reduction is possible. With a year's broken ore on hand, however, Kerr remains in one of the strongest spots in this country to cope with the difficulties which have developed for industry generally.

Stoping Method Important

Kerr-Addison carries on shrinkage stoping. By use of this method only 40% of ore broken is immediately available for delivery to the mill. The balance becomes available when preparation of a stope has been completed and all ore can then be removed from it as required.

Average recovery in 1943—$7.56, $7.18 and $7.63 a ton in the first, second and third quarters respectively—has been consistently lower than the $8.24 per ton of 1942. To a certain extent this may reflect a concentration of mining efforts in large lower grade stopes where the greatest breakage of ore can be secured with a minimum use of manpower; but the present policy is more one of drawing ore from stopes where it can most readily be secured.

Grade of ore in reserve at Kerr-Addison at the end of 1942 averaged $7.41 per ton ($38.50 gold), not far from the average recovery so far this year. But mill heads have run higher than mine sampling at Kerr-Addison and the average recovery of 1942 may really be closer to the actual mine average. Diamond drilling carried out to depth prior to extending the shaft to the 2,500-ft. horizon, and the results secured already in lateral work at the 2,500-ft. level, appear to indicate opening up of a higher average grade of ore at depth and this must be taken into account in a consideration of what average grade of ore may be treated over a period of years.

Due to the limited lateral work it has been possible to carry out and to the concentration of much of the manpower on "dead work" not immediately productive of ore (such as shaft sinking and putting out of line drives), any important upward revision in ore reserves this year appears unlikely. At the end of 1942 they totalled 8,212,292 tons, averaging $7.41 per ton, down to the 1,450-ft. level only. There were substantial tonnages of ore, however, above the 1,450-ft. horizon which were not included in the estimate because they were not completely developed; inclusion of this ore should help bolster the 1943 total when final figures are worked out.

Expanded Reserves Ahead?

Dependent on manpower available, it is possible a major expansion of ore reserves in the section between 1,450 and 2,500 ft. may be possible the next few years. Ore at the 2,500-ft. level hasn't been opened up sufficiently to allow it to be included in ore reserves as yet but everything points to the opening of a great tonnage of ore later in the as yet undeveloped 1,000-ft. section between the 1,450 and 2,500-ft. horizons.

It will be recalled that early deep drilling returned impressive ore results around the 2,000-2,200-ft. horizon which is indicative that the new 2,500-ft. level ore extends right on up to join in with the ore in the upper regions of the mine.

The 1942 ore reserve total was sufficient to keep the mill running at capacity over 10 years. Much further ore apparently only awaits a greater supply of manpower to open it up. It appears that the potential productive capacity of the Kerr-Addison mine is much greater than existing capacity of 2,100 tons daily—although only 1,650 tons are currently being treated. The capacity of the mine to extend operations quickly after the war, however, is largely contingent on manpower authorities allowing sufficient labor now to keep preparation of stopes in hand. If stope preparation can be kept up, the returning of tonnage to capacity and plans for expansion after the war may be comparatively simple. But if stope preparation gets behind because of manpower shortage, there may be some delay in Kerr-Addison reaching the ultimate growth now indicated.

A Forum on Mining Problems

Ontario Body Gets Views on Taxes, Depletion, Prospecting

Manifold problems of Ontario's mining industry, accentuated by the war, are receiving intensive study these days, a steady flow of briefs to the Ontario Mining Commission, organized by Premier George Drew, indicates.

Briefs have been coming in on all conceivable subjects related to mining, it is reported, with mining areas and organizations in close touch with the mining industry particularly active in preparation of them.

Briefs Not Public Yet

It is not expected that the briefs will be published until public hearings take place although an occasional one may be made public by the party preparing it. The Financial Post has already received a copy of one brief from Mark Whitehead, at the head of the lakes, who is interested in the problems of the prospector. The Toronto Stock Exchange, Investment Dealers Association and the Prospectors and Developers Association are among the organizations mentioned as submitting briefs or about to submit briefs. No date has yet been made public for hearings to start and it will likely be the turn of the year before they begin.

Among the problems expected to rank in the top bracket when the hearings take place are:

Taxation
Prospecting
Depletion of ore resources
Problems of mine financing
Adequate revenues for mining towns
Securities regulations
Decline in education for mining.

Even before the Ontario Mining Commission was announced, a great deal of interest had been focused on the problems created for the mining industry—and mining municipalities—by the present heavy burden of taxes. It is indicated that the Dominion and provincial authorities are in agreement that something should be done although just what is the question. The Mutch brief is considered by many in the mining industry as outlining the taxation problem fairly well, while Balmer Neilly's proposal that the depletion allowance should be increased has found favor in many mining circles. Mining people seem in agreement that the present load of taxation is a great deterring factor to opening up of new mines to replace those worked out even in normal times.

Prospecting Problem Grows

Developments of recent weeks have accentuated the problem of how to stimulate prospecting activity. No longer are the U. S. and Dominion Governments offering bonus prices for strategic minerals, and the prospector has lost one of his big incentives for remaining in the field.

There has been some return to prospecting for gold, but the prospector is handicapped in securing a grubstake by limitations placed on development of gold mining properties. This will probably prove one of the most acute and difficult problems with which briefs to the the Ontario Mining Commission will have to deal.

Were it not for the war, there might not be such great concern just now over depletion of ore resources. But the great Ontario base metal mines have spent probably close to $50 millions on expansion of production facilities. This has meant a tremendously increased drain on known ore reserves as, outside of Falconbridge's Levack deposit, there appear to have been few if any base metal deposits of importance since outbreak of war.

Although production in gold mining has been declining, ore depletion is in many ways a more immediate problem than for base metal mines. Few gold mines have in excess of three to four years' ore on hand and with the impossibility of keeping up ordinary development, balance in mining operations has been sacrificed.

With development sharply curtailed, expenses have dropped and "profit" has been sustained better than might have been expected. Development must be caught up at some future date, however, yet the expense money of tomorrow is being taxed away as "profit" today. That is one of the problems mining briefs are likely to touch on.

Mining municipalities have, in some respects, borne the brunt of the decline in gold mining. While some steps have been taken to ease their lot, the whole situation as to what revenue a mining municipality is entitled to, and who should pay it, is expected to receive a thorough canvassing. With the closing of the Haileybury mines school, a problem is presented in another early phase of mining activity—education.

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Volume Rises For Chromium

But Profits Fail to Show Corresponding Increase — Bank Loans Rise

While production of war materials was increased by Chromium Mining & Smelting Corp. in the period Jan. 1 to Sept. 10, 1943, operating economies were offset by higher wage and material costs, President Leo H. Timmins reports.

During the period, however, production of two basic branches of the new plant was brought to full efficiency. Two other basic branches are reported within sight of similar achievement with benefits expected to accrue from their being placed in operation.

Operating profit of $200,449 realized Jan. 1 to Sept. 10, 1943, compares with $122,394 for the period Jan. 1 to June 18, 1942. Net earnings of $150,940 for Jan. 1 to Sept. 10, 1943, was transferred to a reserve for depreciation and amortization. Comparable profit Jan. 1 to June 18, 1942 was $102,212. Indicated profit for the period June 19 to Dec. 31, 1942 was $100,248.

Expenditures on expansion are reflected in an increase in the excess of current liabilities over current assets to $492,585 from $168,653 at June 18, 1942. Bank loan shows an increase from $1.3 million to $1.6 million.

Directors are proposing a change in the company's fiscal year to make it end April 30. Annual meeting will be held in Toronto, Dec. 20, 1943.

Mining

New Life For Inactives

Inactive mining stocks come to life now and then and interest continues in many, judging from letters received by The Financial Post. Investigation usually shows that nominal markets, at least, exist for shares of many companies which have not been active for years. But a survey of such stocks suggests such markets usually exist only because previous development work on the mining property indicated ore, or suggested ore might be present, or because the property held is adjacent to other property of merit.

El Bonanza, the old silver prospect in the Great Bear Lake area, for instance, still finds a market at 1 cent bid. The Cobalt veteran, Hudson Bay Mines, is 2 cents bid; Hutchison Lake Mines finds a market at 1 cent a share bid, 2 cents asked.

Apparently as a result of revival in interest in gold mining, few prospects quoted are found to sell below a cent a share. Things are very much different from certain periods in the last decade when a substantial number of issues were traded at small fractions of a cent a share.

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Consolidated Smelters not only plans to re-employ 2,000 men now on active service after the war, but expects to give employment to still more men in the readjustment period.

A useful piece of investigation for postwar purposes would be a survey now, it is believed, of the state of development of various Canadian mines and an estimate of the work necessary to bring about efficient operation after the war.

Many mines have had to sacrifice current development in order to continue milling at all; these mines may be able to absorb large numbers of men immediately after the war. Most companies have the financial resources to carry out this work. But where money is not available, though substantial ore reserves have been proved, the banks may be glad to assist in a postwar rehabilitation program which would be obviously self-liquidating.

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Hollinger Consolidated at a recent meeting of the board of directors decided that, starting in 1944, dividends will be paid on a quarterly basis instead of every four weeks to effect a substantial saving in distribution expense. President J. R. Timmins reports that, in taking this action, directors thought no opportunity should be lost to reduce costs wherever possible without impairing regular company operations. They felt, too, that shareholders would approve the change.

The war has brought dividend readjustments in many Canadian gold mines. While shareholders will be sorry to see four-weekly distributions disappear, they can take satisfaction in the fact that the Hollinger mine has stood up well under war conditions, shows no signs of "wearing out," and that the operation appears to have been conservatively handled during difficult times.

• • •

The over-the-counter market in mining shares in Toronto is a much more extensive business than most investors are probably aware. While quotations on approximately 100 unlisted mining stocks, exclusive of those on the Toronto Stock Exchange, are published in the daily papers, transactions suffice to indicate a market for over 300 unlisted mining shares.

A survey of the situation by The Financial Post shows a nominal market for a number of important, individual issues which have never been published. On Nov. 30, when the latest complete survey was made, we find the following interesting quotations:

	Bid	Asked
Belleterre	$2.50	....
Beverly Iron Syn.	10.00	$13.00
Edena	1.15	....
Giant Yellowknife	.45	.50
Labrador Mng. & Ex.	.85	.95
Purdy Mica	.60	.65
Stadacona Rouyn:		
Shares	.16	....
8% notes	.12	....
Yellowknife Gold	.20	....

Lower Canada Gold Mines is reported preparing to resume diamond drilling on its east Kirkland Lake property which comprises 12 claims south of Queenston Gold Mines.

Privateer Mine, which suspended production a short while ago, reports October output of $24,412 of which approximately one half was recovered from mill clean-up. Operations have now ceased; crew and staff have been withdrawn. Two men, however, have been left in charge of the property.

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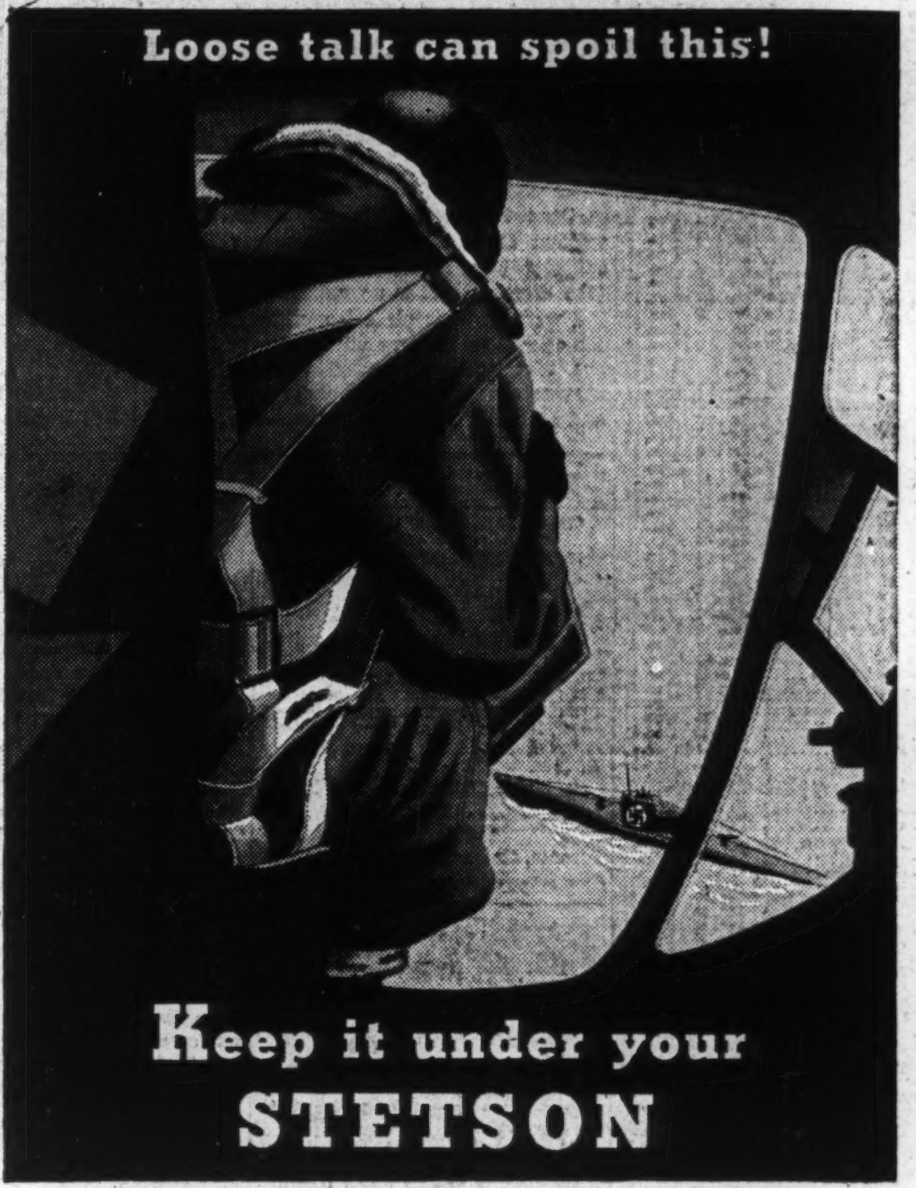

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Week In Oils

New Taber Well Important

From Our Own Correspondent

CALGARY. — Taber-Province No. 17-18B, fourth joint venture of the Dominion Oil Co. and Nassau Exploration Ltd., definitely established itself last week as the best well yet completed on the plains of Alberta, and the largest producer yet completed in the province outside Turner Valley.

The new completion was swabbed for three days, averaging 15.8 bbl. hourly during the initial day, and increasing to an hourly rate of 23.3 bbl. the third day—the latter rate being equivalent to 559 bbl. per day.

Swabbing commenced at 1 p.m. Dec. 6, and in 19 hours to 8 a.m. Dec. 7, total recovery was 302 bbl. including 150 bbl. of input oil. The following day, ended 8 a.m. Dec. 8, the well was swabbed a total of 21 hours, recovery totalling 475 bbl., an average of 21.7 bbl. hourly compared with 15.8 bbl. hourly the first day. During the third day, ended 8 a.m. Dec. 9, the well was swabbed a total of 20 hours, and oil recovery totalled 467 bbl. an average of 23.3 bbl. per hour.

During the second day of swabbing, fluid level held steady between 1,820 and 2,000 ft. During the third day, fluid level remained between 1,900 and 2,000 ft. During a one hour shut-down Dec. 8, the column of fluid rose from the 1,900-ft. level to 1,970 ft. These facts would indicate that the rate of oil influx from the formation closely approximates the rate of withdrawal.

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Gives "Clean" Oil

After three days of swabbing the oil was coming "clean." Initial runs showed a cut of about 2% drill-fluid. Gravity of the oil is 20.3 degrees A.P.I., about two degrees lighter than at the neighboring producers. The new well is apparently about 25% better than Taber Province No. 1, the former "best well" outside Turner Valley. No. 1 swabbed 406 bbl. in its best 24-hour run, and was placed on pump with a potential of about 250 bbl. daily. The well, after 17 months, is still capable of turning out 150-180 bbl. per day.

Taber-Province No. 17-18B is located in the centre of the southeast 10 acres of L.S.D. 16 18-9-16w4. It was completed at a depth of 3,178 ft. with 37 ft. of oil-saturated Taber sand showing from 3,141 to 3,178 ft.

Following the three day swabbing test, Taber-Province No. 17-18B was closed in. Drilling equipment will be transferred immediately to a new site, and pumping equipment will be installed. This should be in place in a few days. Meanwhile, the other three Taber-Province wells were also closed in last week, with all available storage facilities loaded. The Plains Pete 2 well, only other Taber area producer, was also closed down the end of October for the winter months.

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Must Find Market!

Taber crude to date has been largely sold for fuel for drilling operations, with the balance being sold to refineries, principally the Imperial plant at Calgary. Other than the drilling fuel market, however, no stable market has yet been established for the Taber output, despite the efforts of Dominion Oil. This company as yet has no refinery on the Canadian prairies, must sell its output to other companies. With the potential of the Taber field very materially boosted by the new completion, the marketing problem is up to Dominion Oil Controller Cottrelle to solve, oil men argue.

By Nov. 30, the Taber field had produced 137,538 bbl. of crude oil, of which 83,301 bbl. was pumped during the first 11 months of this year. Following is a well-by-well summary:

Well:	——	1943 record	——
	Oct.	Nov.	11 mos.
Dom. Taber Prov. 1	5,412	4,560	59,304
Dom. Prov. 37-18B	3,408	3,226	15,746
Dom. Prov. 57-18B	1,071	940	2,711
Plains Pete 2	588	0	5,540
Totals	10,479	8,726	83,301

Following up its success at the Taber-Province No. 17-18B, Dominion Oil Co. has staked location for Taber C.P.R. No. 11-19B, in the centre of the southeast 10 acres of L.S.D. 1 19-9-16w4, quarter of a mile due north of the new Taber-Province No. 17-18B producer, and the same distance east of the Taber-C.P.R. No. 31-19B dry hole. Can-Tex Drilling Co. will do the drilling, using the rotary rig from No. 17-18B. Work is being started immediately.

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Wildcat New Area

Announced also was location for a new Dominion Oil Co. wildcat on the southeastern Alberta plains. The Well, Crow Indian Lake No. 1, is to be drilled immediately in the centre of the northeast 10 acres of L.S.D. 6 27-4-13w4, using the rotary rig from Wrentham-Province 1. Contractor is Can-Tex Drilling Co. The new site lies two miles from Crow Indian Lake, and about 15 miles south and east of the drilling Mid-Continent No. 2 and Lion-Tabor No. 1 wells. It is about seven miles southeast of the group of Devenish wells drilled between 1927-1930.

Two of the Devenish wells obtained 20 gravity crude oil in the Ellis between 3,050 and 3,100 feet, best initial being about 35 barrels per day. Operations were suspended some years ago, however. These wells, on what is described as the "kiff field," now lie within one of the areas reserved by the Alberta Government, and withheld from development. The new Dominion location lies just south of this crown reserve, and to the west of another crown reserve, each covering four twps.

Drilling permit this week was issued for Inland Gas & Oil No. 1, to be drilled a mile north of Fabyan on the central Alberta Plains, in the centre of L.S.D. 5 20-45-7w4. Drilling permit was also issued for Cannar Oils No. 28, to be drilled in the northwest 10 acres of L.S.D. 15 30-50-5w4 in the Vermilion oil field, offsetting Cannar 22 to the west.

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Spud Pincher Test

Pincher Creek area test Arrow-Marjon No. 1 was spudded early in December and regular drilling is now under way. The well is located in L.S.D. 10 12-6-2w5. Contractor is Drilling Contractors Ltd.

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Mid-Continent No. 3, another joint Mid-Continent Oil & Gas and Standard Oil of B. C. test, was spudded in Dec. 7. This well is about a mile southwest of the abandoned Mid-Continent 1, on what it is hoped will prove higher structure. Site is nine miles south and west of the Taber oil wells.

Home Millarville No. 19, new North Turner Valley "west uplift lime" test, is now below 556 ft. This well is a mile west of Alberta Oil Incomes No. 2 producer. Heavy duty rotary is being used.

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Alberta Output Holding

Alberta's crude oil and natural gasoline production during Oct., 1943, amounted to 822,197 bbls., an average of 26,522 bbls. per day. The daily average represented a decline of 85 bbls. compared with the daily yield in September, 1943, and a decline of 619 bbls. compared with Oct., 1942. The October production boosted total for the first 10 months of 1943 to 8,130,866 bbls. compared with 8,485,595 bbls. in the same period of 1942. It boosted Alberta's recorded yield since inception to 64.8 million bbls.

Revenues to producers from sales of crude oil and natural gasoline during October, 1943, totalled $1.4 millions or $44,061 daily, an increase of $129 daily over Sept., 1943, and an increase of $3,095 daily over Oct., 1942, when volume of sales was greater, but at a lower price.

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New Product Prices

Retroactive to Nov. 29, 1942, Imperial Oil recently announced changes in the posted prices for Turner Valley absorption plant products. The new schedule establishes a posted price for the light ends recovered since Turner Valley plants (Royalite, British American, Gas & Oil Products) commenced production of a 45 bl. Reid Vapor Pressure product in place of the former 26 bl. The No. 45 product retains the isobutane, propane and normal butane required for the Allied War Supplies Corp. aviation gasoline program at western Canadian refineries.

Royalite and B.A. No. 45 product is broken down into the light ends and No. 26 product at the Allied War Supplies alkylate plant at Calgary. G. & O.P.'s No. 45 product is broken into its components at the Gas & Oil refinery in Turner Valley, the light ends then being transported to the alkylate plant. Until this week's posting, estimated prices were paid for the light ends, only posted price being for the No. 26 product. Payments for the light ends produced prior to the posting will be adjusted in line with the posted prices.

House Repair Plan Advances

Winnipeg Would Require Compulsory Renovation of Properties

From Our Own Correspondent

WINNIPEG.—A plan for the compulsory renovation of dilapidated houses in Winnipeg is going through the City Council in the slow process toward enactment.

The scheme, under which the city would finance renovations up to 50% of the assessed value of run-down properties, was proposed by Alderman C. E. Simonite, Winnipeg real estate man.

Its reception by city council as a whole has been favorable. However, the city charter would have to be amended before it could be implemented and this would necessitate a reference to the Manitoba Legislature.

Features of Plan

As the plan was drawn up, the salient points are these:

1. The city health department would be empowered to declare a house in need of renovation;

2. In that event, the owner would be instructed to undertake the necessary repairs;

3. If the owner refuses to undertake the work, a special commission would order the work done.

4. The city would finance the project up to 50% of the assessed value of the property.

The city would treat the moneys advanced as a loan, to be amortized over a 10-year period. To ensure repayment, the rental for improved dwellings would be increased, the city taking the additional revenue to redeem the loan. It would have first claim against the rentals received.

In no case, however, could the rental taken by the city to redeem the loan and meet taxes on the property exceed one fifth of the owner's income.

At the most, the Simonite plan is considered a temporary measure not likely to be broad enough to relieve the housing congestion. It is designed to prolong the lives of houses which have not been properly kept up and make habitable houses which should be condemned but are still being used.

The commission to administer the scheme is to include at least five members of the city council in addition to the city health officer, building commissioner, a representative of the Trades and Labor Council, a representative of the Builders Exchange and a representative of the Real Estate Board.

Seibert Elected Head Man. Mines Chamber

Officers of the Manitoba Chamber of Mines for the coming year, as appointed at a recent meeting of directors, are:

FRED. V. SEIBERT, industrial commissioner, Canadian National Railways, president.
W. E. CATTON, Canadian Pacific Air Lines, vice-president.
F. J. MANNING, Manitoba Steel Foundries, honorary treasurer.
HON. J. S. McDIARMID, Manitoba Minister of Mines and Natural Resources, honorary president.
GARNET COULTER, Winnipeg mayor, and W. A. GREEN, general manager, Hudson Bay Mining & Smelting Co., honorary vice-presidents.
J. P. DE WET, secretary.

Mining Concentrates

Aldermac Copper Corp. is reported to have signed a contract for sale of metals from its new mine near Sherbrooke, Que., with plans in hand for erection of a 250-ton mill immediately. Production has ceased at the company's original property with plant now being dismantled.

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Arjon Gold Mines has started drill hole No. 7, 50 ft. to the west of hole No. 6 which passed through an interesting carbonate zone at from 960 to 1,320 ft. depth. Some $50,000 is reported in the treasury to finance further drilling. No options are at present outstanding.

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Coin Lake Gold Mines plans a diamond drilling program on its Slate Bay property in the Red Lake area, about 3½ miles northwest of McKenzie Red Lake, as soon as possible following freeze-up, it is stated. Two new properties are reported acquired in the Lightning river area with diamond drilling planned next spring.

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Cochenour Willans Gold Mines has declared a dividend of 3c. a share payable Jan. 15, 1944, to shareholders of record Dec. 20. This brings payments for 1943 to 12c. a share compared with 9c. a share paid in 1942. The company has now acquired outright ownership of the adjoining Kelson Red Lake Gold Mines property lying to the east, slightly over $70,000 cash being paid to that company. Kelson is being wound up and has made a first and final distribution of 6c. a share on its outstanding capital stock. Since Cochenour owned approximately 90% of Kelson's stock, this proportion of the purchase price reverts to the Cochenour Willans treasury. Interesting drilling intersections have been secured on the Kelson property.

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Hollinger has declared a dividend of 5c. a share payable Dec. 31, bringing the 1943 total of dividends to 65c. a share. The Dec. 31 distribution will probably be the last of the 5c.-a-share payments for some time as the company intends to distribute dividends quarterly to save expense.

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Lake Dufault Mines is reported drilling in a new section with encouraging results. The new area is some 500 ft. south of the large mineralized mass already indicated earlier this year and in 1942. Further drilling is planned in the new area before results will be released. A dividend of 2c. a share has been declared payable Jan. 15, 1943.

Maritimes Drag Coal Rate Down

Reduced coal output in Nova Scotia and New Brunswick mines brought about lowered coal production in Canada generally during the first 10 months of 1943 as compared with the same period in 1942. Alberta, Saskatchewan and British Columbia, however, registered increase, according to Dominion Bureau of Statistics report.

Latest mine employment figures available reveal more men were working on an average in Sept., 1943 than for the same period in 1942.

Imports of coal into Canada showed considerable increase in 1943, more than offsetting the decline in domestic production.

	Production		
	Oct. 1943	Year to Date 1943	1942
	(000 tons)	(000 tons)	
Canada	1,547.2	14,732	15,479
N. S.	496.6	5,055	6,076
N. B.	32.0	314	373
Alta.	653.9	6,443	6,243
Sask.	189.3	1,216	946
B. C.	175.4	1,763	1,840
	Imports		
Canada	3,515	23,948	21,400

	No. Employed		
	Sept. 1943	Sept. 1942	Av. 1942
Canada	24,916	23,099	24,762
N. S.	12,148	11,534	12,566
N. B.	930	1,016	1,033
Sask.	634	428	592
Alta.	8,466	7,757	7,998
B. C.	2,738	2,363	2,570

Think Deca No. 4 Well May be a Producer

Core from Deca No. 4 well—drilled jointly by Davies Petroleum and East Crest Oils—indicates a productive oil well may be expected, according to a statement attributed to Dr. J. O. G. Sanderson.

Coring in this latest well on the Athabasca structure started at 1,610 ft. and the top of the Grandrapids formation is stated to have been encountered at 1,626 ft. Coring continued to 1,644 ft. Sand from 1,632 to 1,644 ft. was stated to be saturated with oil and gas.

Casing has been run and cemented off, President H. S. Price reports. Cement was to be allowed to set 72 hours and the plug drilled out when a bailing test was planned.

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Steep Rock's Pumps Start

Hydro Power Turned on Nov. 28—Keep to Schedule as Announced

Dewatering of Steep Rock Lake is now under way following receipt of hydro-electric power through the new 120-mile power line on Nov. 28, President D. M. Hogarth of Steep Rock Iron Mines informs shareholders. This is stated to be a concrete step towards the objective of mining ore in the 1944 season.

The president points out that the power line from Port Arthur to Steep Rock Lake was completed by the Hydro-Electric Power Commission of Ontario through most difficult country in 180 days. Diversion of the waters of the Seine River system, carried out by the company's general contractors, C. A. Pitts General Contractor Ltd., under direction of general superintendent M. S. Fotheringham and company engineers has reached the point where the project will be formally taken over by the company during the current month.

Company Takes Over

Pumping out of the lake, and the stripping and equipping of the "B" ore body for production by next August will be carried out by the company's engineering staff.

Operating under the accelerated production schedule, the present stage of development has been reached in nine months as against an original schedule requiring 15 months for this work. With the completion of diversion work, and with most of the mining equipment already purchased, the major items of construction costs are stated to have been met.

The Canadian National Railways plans to proceed immediately with construction of a spur line from Atikokan to the property and of a high-level pocket-type loading dock at Port Arthur, similar to those at Duluth and other iron ore shipping centres in the United States.

Plans Formulated

Operating plans, based on five year's drilling and study of the ore bodies, have been drawn up by Roberts and Crago and the company's engineers. President Hogarth states that these plans will insure the economic and efficient mining by open pit methods of a substantial tonnage of iron ore in the 1944 season, and larger tonnages in the years to follow.

Business Bureau Plans Stock Racket Booklet

To comply with numerous requests received from the public for information that will warn them against the methods of skillful high pressure stock salesmen, the Toronto Better Business Bureau is preparing a booklet, "Facts you should know about Stock Selling Schemes."

Copies of the booklet may be secured free on application to the Toronto Better Business Bureau, 350 Bay St., Toronto.

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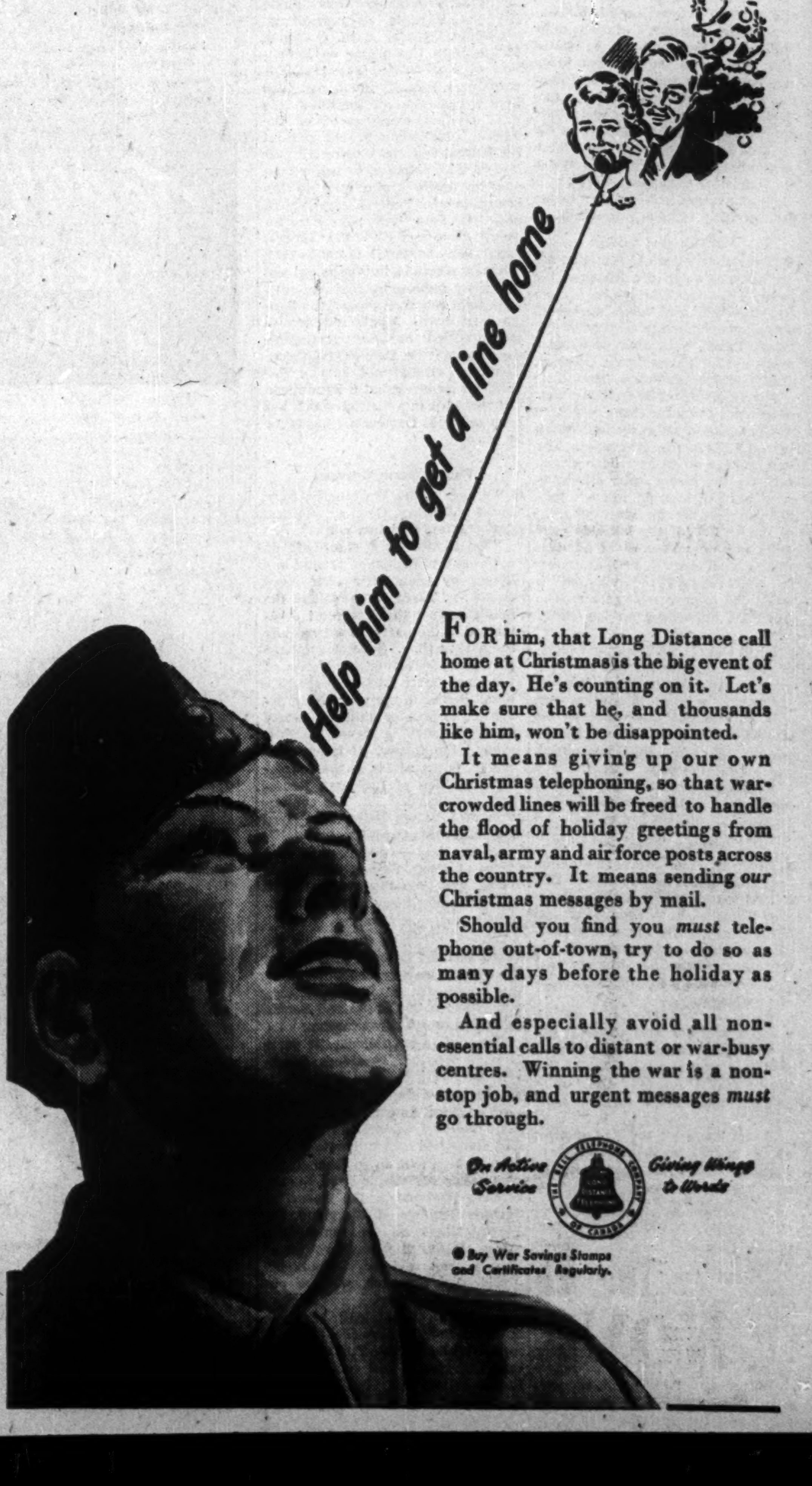

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Business Newspapers Association of Canada recently held a conference in Toronto at which prominent Canadian businessmen discussed current problems in their respective fields. Separate panels were held dealing with merchandising, agriculture, and manufacturing under the twin heads of capital goods and consumer goods. The Business Newspapers Association has a membership of 87 publications, representing trade, industrial and technical papers, as well as general business and financial papers. Their combined circulation is approximately 385,000. Pictured here are some businessmen who contributed to the conference.

WILLIAM PARK, T. Eaton Co. — H. H. BLOOM, Massey-Harris Co. — D. B. McCOY, Steel Co. of Canada — JOSEPH PIGOTT, Pigott Construction Co. — E. H. WALDRUFF, L. K. Liggett Co.

THE WASHINGTON LETTER

Start Three-Power Move to Control Postwar Surplus of Machine Tools

By LAWRENCE SULLIVAN

WASHINGTON.—Joint action between the U. S., Great Britain and Canada to control postwar surpluses of machine tools has been inaugurated in a meeting of the Machine Tool Committee of Combined Production and Resources Board.

Sydney D. Pierce, Washington representative of the Machine Tools Controller, is the Canadian member of the committee, of which Ralph E. Flanders, president of the Jones & Lamson Machine Co., Springfield, Vt., is chairman.

"It was indicated that the curtailment of machine tool production in the United Kingdom in 1944, in order to divert additional labor and facilities to other essential war production, may result in some additional requirements for machine tools from the United States," the WPB reported after the meeting. "Requirements of this nature cannot be forecast in detail at present."

The committee likewise gave consideration to prospective joint plans for control of postwar surpluses, in machine tools and general manufacturing capacity. This subject will be studied further in collaboration with all other interested U. S. agencies.

Simultaneously, the Senate passed a bill to create a single over-all authority to handle postwar liquidation of surplus stocks and tools in the hands of federal agencies. The House has yet to act on this bill.

Senator Murray, of Montana, author of the measure, estimated that the federal government today controls approximately $74 billions in war materials, machinery, factories and miscellaneous real estate devoted to industrial methods in the several federal agencies, so that a complete picture of surplus stocks is nowhere available. Neither is there any general policy visible for handling surplus war stocks.

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Surpass Ore Quotas

● The season's last cargo of iron ore on its way down the lakes to the lower Erie docks brings to a close the heaviest and most successful shipping epic in the history of the Great Lakes, according to a summary by Joseph Eastman, Director, Office of Defense Transportation.

The shipment of 84.4 million tons of iron ore down the lakes surpassed the final quota set early last spring by the WPB for the 1943 season. The iron tonnage might have been larger, save for the recent order allocating some bottoms to grain, to cover feed deficiency in the northeast quadrant of the U. S. All the lakeside steel mills are now assured of 50 days supply as of April 1, 1944, according to WPB reports. Navigation is scheduled to open next year around April 20, depending on ice conditions.

Up to Dec. 1, Mr. Eastman reported, the U. S. lake carriers also had moved in 168.9 million bus. of grain, and another 16 million bus. will be brought down before the last lake carrier is tied up for the winter. The grain total last season was 111 million bus.

Total coal volume on the lakes this season was 44.6 million tons, a decrease of 2.3 millions under 1942

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1944 War Output

● Recently the War Production Board called for an increase of 20% in 1944 war production. Vice-chairman Charles E. Wilson now has broken the figures down into principal production categories for the first-quarter schedule. The percentages vary widely for different types of equipment.

Based on the 1942 annual output, which forms the base of 100 in the new graphs, Wilson reports total 1943 war production at 154% For the last quarter of 1943, the rate of production is 173% on the same scale.

The estimate for the first quarter of 1944 is 180% for over-all war production. This and other comparisons follow:

U. S. War Production
(1942 Annual Output=100)

	Last Quar. 1943	First Quar. 1944
Total war output	173	180
Munitions	224	236
Aircraft	338	426
Navy ships	216	193
Merchant ships	230	245
Army ordnance & signal equipment ..	184	167
Construction	46	33
Tanks	83	75
Heavy trucks	142	205
Ammunition	243	145
Artillery	220	282

Wilson gave these rough comparative schedules to the convention of the National Association of Manufacturers at New York.

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"Cotton Ed" Speaks Up

● Politics moved to centre stage during President Roosevelt's extended absence from the country, and his return finds the Democratic Party in the South on the verge of a long-threatened revolt against New Deal programs.

The battle broke first in the Senate, where Ellison D. Smith, of South Carolina, 79-year-old dean of the Upper Chamber and Chairman of the powerful Committee of Agriculture, proposed a third-party ticket throughout the South in 1944 if President Roosevelt seeks a fourth term in the White House.

Smith is known affectionately to his colleagues as "Cotton Ed." He is a bonafide cotton farmer of the old school, and as chairman of the agricultural committee has been the watch dog for cotton growers and processors in crop controls, subsidies, and price arrangements of the federal government. But he is an old-fashioned constitutional Democrat, whose Senate orations are a cross between a patent-medicine sales orgy and a lakeside religious revival.

"Cotton Ed" seriously proposed an organization of anti-New Deal Democrats throughout the South next year, with Senator Harry Flood Byrd of Virginia, as presidential candidate. Senator Byrd, chairman of the Joint Committee on Reduction of Non-essential Federal Expenditures, recently demanded publicly a reduction of 300,000 in the total civilian employment of the federal establishment. At present the federal agencies employ 3.3 million civilian workers, or better than one for every three men in the armed forces. Federal employment now numbers one payroller for every 41 persons in the general population—against 1 to 200 in 1933.

Recent elections in Mississippi and Kentucky underscore the new anti-New Deal rebellion among the Senate Democrats. Mississippi nominated a violent anti-New Dealer for governor on the Democratic ticket. Kentucky elected not only a Republican governor but a Republican Congressman in a district which has been safely in Democratic hands for 24 years.

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Fourth Term Opposed

● Writing in the Washington Star, Gould Lincoln, Capitol political commentator, said last week:

"The Democrats of the South do not intend to be kicked around any longer by their New Deal associates . . . Threats of revolt in the South against the Roosevelt domination of the party have been rife for a long time. Several southern governors, including Sam Jones, of Louisiana, more than hinted such a break earlier in the year. Now, according to Senator Bailey, of North Carolina, such a revolt is just around the corner. If it happens, the jig is up, so far as the fourth-term election of President Roosevelt is concerned . . . The contention of Senators Bailey and Byrd and other Southern Democrats, is that the New Deal party has used them at election time, taken their votes, and then thrown overboard the principles for which the Democratic party has stood."

These sentiments throughout the South account in large measure for the difficulties now encountered by the Administration in commanding majorities in the House and Senate for its price subsidy program.

The split in the Democratic party is real. Whether President Roosevelt can bring the two factions together before the national convention at Chicago next summer is the great political question of the day. His supporters in the Senate anticipate that he will do so through the nomination of Senator Byrd, Speaker Sam Rayburn of the House, or Senator Tydings of Maryland, for Vice-president on the fourth-term ticket. But if the Southern rebellion is not quieted, Republican presidential prospects will be enhanced considerably.

The political pot will begin to boil as soon as the President returns to the White House. The first indication of results will come in final Senate action, early in January, on the food subsidy bill.

Steel of Canada War Program Diversified

From Our Own Correspondent

MONTREAL.—Steel ingot production of the Steel Co. of Canada since 1939 has increased 110%, compared with the over-all increase of 97.5% for the industry, according to a statement issued by the company outlining its contribution to the war effort. In addition, the company has purchased substantial tonnages of semi-finished steel to keep its various finishing mills as fully occupied as available manpower permitted.

Through these purchases ingot production of Stelco has been augmented by more than a quarter of a million tons since war was declared, and it was possible in 1942 to roll a tonnage of ingots 129.8% above 1939.

Dealing with specific ways in which operations have contributed to the war effort, the company reports:

Stelco is producing more than 50% of the total Canadian production of alloy steel bars. The company has been established as the Canadian source of supply for armor piercing shot steel.

A shell forging plant was designed, erected and is being operated for the government.

The new 110-inch plate mill, installed entirely at the company's expense, has produced approximately half a million tons of plates since operations commenced March 31, 1941. Tonnage of steel ingots required for the current rate of plate production is equivalent to practically two-thirds of the maximum annual ingot production ever attained during the pre-war period. This mill established its latest monthly production record of 21,305 tons in July, 1943.

In addition to plates, the company is producing large quantities of rivets, bolts, welding rod, pipe and anchor chain bars for the shipbuilding industry.

Army vehicle and tank programs have depended on the company for substantial amounts of spring steel, sheets, pipe, drop forgings, wire, bolts, screws, rivets, nails, cotter pins and numerous other specifications.

Aircraft divisions of the company is servicing one of Canada's newly expanded industries by capacity production of low and high tensile aircraft bolts, steel and aluminum rivets, special threaded nails, shackle and cotter pins, and wire for aircraft control cables.